

NHMA SHOW COVERAGE

andising Week

AGRALLA PUBLICATION

channeling

DUSTRY WITH MORE THAN TODAY ON MIND

FEBRUARY 1980



Major Appliances

s to keep strong Yule

Some closeout merchandise, supplemented by new introductions in the calculator and digital watch areas, will bearhead promotions linked to the residential birthdays—Lincoln and Washington—and especially, Valentine's Day.

The momentum from the strong Christmas sales of electronic games is also expected to carry over. A California game specialty store operator noted his holiday sales exceeded the previous year's level by no less than 75%.

He cited increased interest in adult games like chess, bridge and backgammon on which he was focusing promotional effort.

Others, notably discount chains and catalog showroom operators, indicated continuing stress on hand-held sport games from \$20 up.

"I'm not looking for business to drop," said a Michigan discount chain buyer. He plans a promotion on games, and noted that one he ran last year a month after Christmas was surprisingly successful.

"People see the games friends received as gifts and want one themselves," he explained.

A similar referral kind of sales opportunity affects telephones, a phone dealer pointed out. These, too, are gift items in many cases.

Cordless phones are mentioned by a number of dealers as a coming segment that will be more heavily promoted. Steady growth in such units as answerers and automatic dialers is also anticipated.

However, a common complaint from phone dealers is that still more promotional support from suppliers is necessary to convince consumers of the legality and benefits of phone ownership.

Game retailers have another complaint: Continuing shortages and delivery delays. Compounding the availability problem is the scramble of more kinds of retailers to get a piece of the action.

A number of audio and CB dealers, concerned by slipping sales, for example, are looking to other product areas, among them, games.

To insure availability, some retailers are limiting their game assortments. Said a department store executive, "On electronic games, we're taking the approach of an electronics retailer—picking a few items we can carry heavily while making ourselves more important to the supplier, rather than the toy approach of carrying a broad assortment."

Personal computers can be expected to get heavier promotion in the months ahead, with improved availability of software making them more viable as a home unit, where many feel the major growth will come.

A translator peripheral, introduced by Texas Instruments for its home computer, is going to be featured by one department store in its downtown unit.

Although further signs of price erosion are evident in the CB industry, a positive note is that higher ticket replacement sales are beginning to be made. Also, fewer suppliers—and dealers—have eased the competitive pressures somewhat, and the Middle East crisis is beginning to generate gas availability problems which, as before, can spur CB sales.

But in the immediate future, calculators and watches, along with games, are expected to provide most of the personal electronics sales and promotional activity.

In calculators, the credit card models continue popular and have some gift appeal. Also, with the arrival of tax forms, interest will be stimulated in the desk-top printers.

Watches, from the promotional LCDs to the multi-function alarm and chronograph units, are looked upon as retail winners this month.

COBRAPHONE—the hot new Communications, the famous

COBRAPHONE—money on to yourself. As a Cobra dealer phone, you'll be selling it. Cobra customers and for you—because quality is Cobra. And Cobra put merchandising package that in support, effective sales promotion one-year limited warranty.

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COBRAPHONE operates from e Tone telephones. Maximum range more than ample for any cordless the home or business. Features in

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A complete selection of formats, and lengths.

Scotch Videocassettes are available to meet every recording requirement your customers may have. We offer both Beta and VHS formats, in all of the popular lengths. So every one of your customers can enjoy bright, true color and sharp, brilliant pictures.

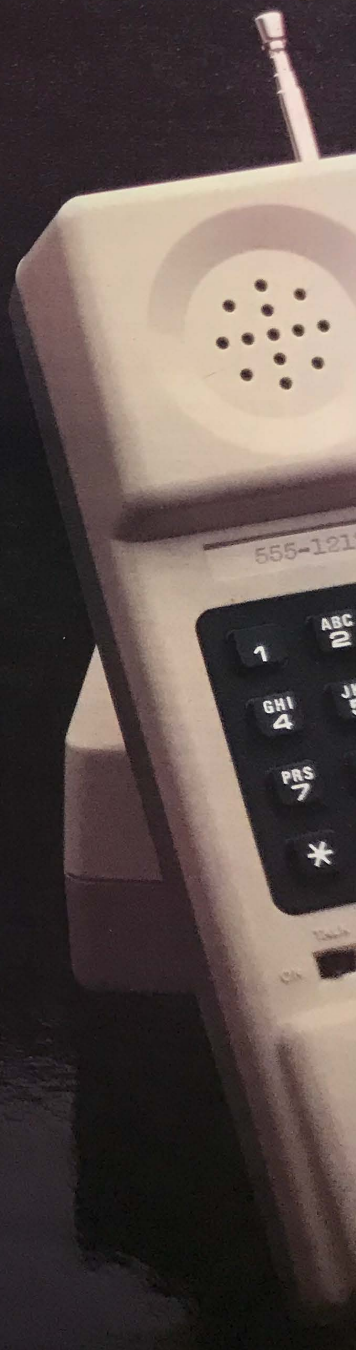
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In 1980, we'll be working hard to help you sell Scotch Videocassettes. This year's consumer advertising schedule includes 4-color pages in publications like *Money*, *TV Guide*, *Time*, *Sports Illustrated*, and *Playboy*.

And there's an equally exciting group of consumer promotions scheduled to appear throughout the year.

VIDEOCASSETTES. THE TRUTH COMES OUT.

3M



"exactly" 35 points on a system sale. "The system is designed for people who are afraid to mix components from one or more manufacturers," Tyler said, "mostly the older buyer. When we sell one of these to a customer, we don't talk specs at all."

Sharp pricing

Pricing at the show was as sharp as ever, as many manufacturers apparently decided not to give in and to sit on their own inventories. At least for awhile.

It shouldn't take long. Most dealers have been keeping their own inventories quite lean, even through the Christmas selling season, and they were looking for new products.

But they didn't find much. Buying at the show was selective, and frequently sporadic, as many dealers elected to go home and think it over before making any significant commitments.

The reduction in new product introductions was viewed here as manufacturers taking a more realistic stance in their approach to the market, with Japanese producers notably cutting back in production to more closely fit what's actually happening in the marketplace.

Just lots of technology

The lack of new product was quickly noted by Bernie Appel, senior vice president for Radio Shack. "I see a lot

of technology here," he said, after a tour of the show floor, "but no new products."

What does that mean to Radio Shack?

"It means we're not crazy," he said. "We know what we're doing."

The show was marked by several "name" manufacturers getting into new markets or out of old ones. Nikko, for one, entered the cassette deck area with its new ND-790, a unit designed to handle normal, ferri-chrome, chromium dioxide and the new metal tapes. Even though it's not scheduled for delivery until spring, Nikko priced it at \$330 retail.

At the same time, Acoustic Research

decided to drop its turntable assembly operation. Herb Horowitz, AR executive vice president, said the decision was prompted by offshore competition.

Also, Webcor Division of Leisurecraft Products introduced a new line of micro components, including an integrated amp, AM/FM stereo tuner, and a cassette deck.

The biggest divestiture news of all, of course, came from Pioneer of America, which dropped its Centrex-branded compacts line, stating that they simply couldn't make money at it any longer (see story this section). POA gave huge discounts at the CES to clear out its inventory at the show. "The faster the better," said POA president Jack Doyle.

Autosound introductions

Some of the more significant product introductions came in the autosound field.

Several hifi companies, namely Kenwood, Altec Lansing, Aiwa, Samsung and Sony, all came to Las Vegas with new or expanded car stereo lines. Sony expects to expand its car stereo line further in April with an in-dash series. Altec, which showed its first car speakers, may come up with electronics, but not this year.

Jensen Sound Labs' Car Audio Components Group plans to stay with its receiver line-up for the moment, but showed new speakers and, more significantly, its first series of graphic equalizers and amplifiers.

"We don't have any new receivers because as an industry, we want to get off the every-six-months-a-new-line kick," said Jim Twerdahl, vice president of the Jensen division.

He said he wasn't sure when Jensen would introduce new receivers.

U.S. Pioneer added to its receiver program with four new models and introduced five new feature-laden direct drive turntables.

Cuts some receiver prices

More important, perhaps, Pioneer dropped prices on several receivers it will continue to make, even with the new receiver additions. Pioneer also told dealers that it would give them an additional \$10-\$20 on each cassette deck or turntable in lieu of additional co-op, in a program called "Scrip."

Sony, which introduced several new products at the CES, also came up with a new program it has been toying with for some time—a program designed to broaden its consumer base for hifi components.

Frank Leonardi, vice president of Sony Industries' Audio Division, said the company's Precision Balanced components and Avatar micro-component systems will now be distributed through department stores.

"We have geared these pre-matched, pre-packaged component lines to the first-time buyer and those consumers who currently wish to move up from their compact stereo systems," said Leonardi. "It was with this in mind that we decided to market these systems through department stores, because these systems are traditionally more at home in this environment. An audio specialty store can tend to overwhelm and confuse the inexperienced buyer."

Both systems were originally introduced by Sony's Consumer Products Division, but "because of their quality image and specifications," Leonardi said Sony decided to integrate these systems into the Audio Division's product line-up.

—Ron Schneiderman

MERCHANDISING

Personal electronics 'talk' to buyers about new products, opportunities

LAS VEGAS—Retailers in the personal electronics sector of the Winter Consumer Electronics Show not only had much to talk about, but in many cases found themselves being talked to by the products they were examining.

Speech synthesizers in computers, games, translators, calculators and watches were among the eye and ear, attention grabbers at the show which also provided these trends:

- Greater retail interest in personal computers, enhanced by greater availability of "software" or peripherals.

- Games, from hand-held sport units to highly sophisticated chess and bridge entries, continued their strong sales appeal.

- The telephone segment, while not showing the "explosive" growth predicted, nonetheless was on an upward curve, notably in such areas as cordless remotes and answerers.

- Calculators were experiencing a rebirth in dealer interest, with pricing stability restored after a turbulent supplier shakeout period, and their translator cousins attracted lots of attention.

- In watches, while prices continued to drop, greater values in LCDs and the attractiveness of multi-function units at the higher end, gave buoyancy to this category.

These developments tended to put the once-glamorous CB sector into the shade, but even here the plus factor is that the pie—albeit a smaller one—is being shared by fewer suppliers and re-

tailers. Also, two related products, scanners and radar detectors, continue strong.

Rising retail interest in computers was stimulated by the greater availability of programs. As retail specialist John McIntyre, operator of the five-outlet Van Nuys, CA Computer World, put it, "Software is where it's all at, and apparently now it's starting to catch up."

Said McIntyre, "The market seems to be trending away from the hobbyist, and for the general public it has to be a turnkey system (with software)."

There are expansions in software. For example, Atari signed a licensing agreement with Control Data Corp. for eight software programs in the investment area (like bond yield, stock charting, etc.) that consumer product division president Mike Moore said would further enlarge the Atari system beyond games.

Texas Instruments' new peripherals for its 99/4 home computer include an acoustic model at a \$225 retail, which allows it to communicate over telephone lines to other computers for information retrieval, and a 300-plus word speech synthesizer, at \$150, using the same technique as in its Speak & Spell learning aid.

A significant debut was that of calculator maker Hewlett-Packard, with HP-85 "Capricorn," which carries a \$3,250 tag.

But, unlike the TI unit, the HP unit is designed primarily for the profes-

sional, and the different "positioning" of the product by these two electronics giants reflects the continuing debate over the computer's role, and the lingering hesitancy among retailers about entering the market.

For computer shop specialists like Computer World's McIntyre and Mike Dmytrasz, who set up The Computer Broker store in Denver a year and a half ago, the market can be anyone from the hobbyist to the uninformed consumer. Both, however, see the home user as being the biggest market and are bullish about the future.

Audio dealers, by reason of their experience in dealing with technical subjects and, in some cases, as a hedge against soft audio sales, are a retail segment moving more into computers.

Jody McDonald, Jody's Unlimited Sound, with outlets in New Iberia and Lafayette, LA, sees their possibilities, not only in his own business but in sales, particularly the accessories and peripherals. "That's where it's going to be at, the accessories," said McDonald.

Gene Wayne Darling, Pro Audio, Seattle, likewise said he's "intrigued" by the personal computer market. "We're getting in," he said, adding the focus would be on businesses.

Not yet ready to make the big jump into computers were others who expressed interest in the potential. They ranged from independent dealers like Alan Seitz of Carson TV, Carson, CA,

to chains like the 56-outlet discounter, Caldor's of Norwalk, CT, whose Bob Rodderman, divisional merchandise manager, acknowledged, "we're looking at computers."

One, who said he'd "dabbled with Apple," is George Reuhl, president of American TV, appliance-tv-audio dealer in Madison, WI, who indicated a deeper thrust into computers would await the arrival of more applications.

In a similar vein, Steve Egelhoff, merchandise manager for F.R. Lazarus, Columbus, OH department store, said the store sold one system in December, and he was at the show, in part to determine the size and potential of the market. "That will dictate the store's investment," he said, adding, "there are a lot of good units." He observed, "department stores are often first to pioneer a product. This may be one area where it's the specialist."

Electronic games undoubtedly are the single fastest growing segment of personal electronics, and comprise one area where demand has outpaced supply.

"We had a great year, and I'm not looking to see it drop," said Ivan Dempsey, merchandise manager of Giantway, 15-store Mt. Pleasant, MI discount chain. Equally high on games were John Watkins, vice president and general manager of Kuhn's Big K, 120-store Nashville chain.

He, like others, added, "they're still in short supply."

Milton Bradley added six game cassettes to its hand-held video screen Microvision series. It also has a voice-activated series.

Chafitz and Fidelity Electronics

(Continued on page 51)

Anatomy of a Pace Altus car stereo buyer

This guy's been shopping around. He knows what he wants. He wants good sound at a good price. He doesn't want to settle for less. But he doesn't want to pay for a lot of fancy features that he doesn't need either. He wants a good sound deal. He wants Pace Altus.

This is most likely a first-time car stereo buyer. And he's probably planning on spending under \$200. But just in case he wants to go a little heavier, Pace Altus offers him a full line of car stereo equipment. From your basic AM unit to 50 watt speakers to a 7-band graphic equalizer that's equal to the best.

He doesn't want new jeans. These have finally gotten comfortable.

This fellow's done some legwork. He's checked out some other lines. But he's looking for a better deal. And you can give it to him on your whole Pace Altus line. Because we can offer you a great deal on the whole Pace Altus line.

This customer looks long and hard before he buys. He reads everything he can get his hands on. So when he sees our advertising aimed directly at him, he gets the message. Pace Altus is a good sound deal.

Like many young customers, this one will do his own installation. It's the best way to save a buck without missing out on Pace Altus quality.

How his stereo will ultimately sound is the single most important thing to our hero. So he's going to be mighty interested in the Pace Altus self-selling merchandiser that holds anywhere from two to eighteen units plus speakers.

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Video panel sees potentials as well as obstacles

PANELISTS: David Fishman, consultant, Arthur D. Little Inc.; Vincent Marini, director-East Coast advertising sales, Esquire magazine; Bill Meserve, analyst, Arthur D. Little Inc.; Ron Friedlander, senior vice president, Hitachi Sales Corp.; Jack Sauter, vice president and general manager, RCA Consumer Electronics; Alex Stone, president, Quasar Co.; Sy Lipper, president, APF Electronics;

Sauter: "It is quite possible that we will see electronics products replace the automobile as the consumer's principal discretionary purchase."

"But before we mentally begin to deposit all the profits from these new potentials, we first must determine whether we are intelligent enough to successfully introduce and grow them to a mature business."

"One needs only to look at the state of the VCR business today to recognize that just to be able to manufacture a new product doesn't guarantee its success. Its growth rate is disappointing and the complaint of the lack of profit is being voiced from all levels of the trade."

"Unless a number of difficulties are favorably resolved, the industries' total sales potential will be restricted and VCR is a prime example of why we should be concerned."

"As a result of the way the business has been handled, the majority of the volume is going through two channels: Those dealers who are basically brokers or use VCR as traffic builders and the video specialists who are doing

well because the thoughtful consumer wants to shop and buy where product display and knowledgeable salespeople can help them in their selections. The result is that there is a growing lack of interest being displayed by much of the dealer community, more specifically by the independent dealers."

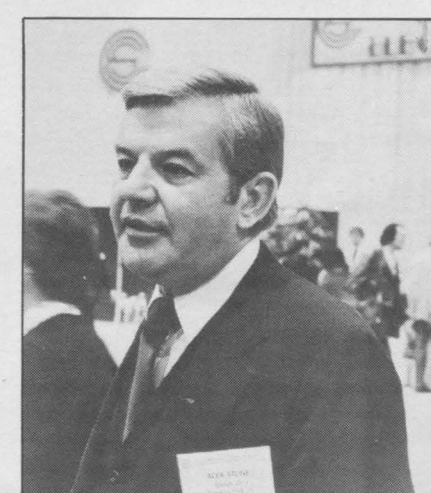
"In many respects, all of us involved in supplying the dealer with VCR products can be charged with a certain degree of failure. It is clear to me that the industry has not contributed positive stability to the dealer's attitude toward VCR, let alone to his inventory."

"Some of us have provided sell-through programs at the retail level, designed to bring consumers into dealer stores; but as an industry, we have not done enough, in view of the continued high consumer interest in VCR products, and yet sales in 1979 failed to reach 500,000 recorders."

"Unlike some participants in VCR, we look at VCR and videodisc as separate opportunities for substantial industry growth. Certainly, we expect videodisc to be a larger business because of mass market pricing and simpler understanding of the product by much of the public."

"There are those, I understand, who look at the two products as being on a path that can only lead to survival of one. It would be suicidal, in my opinion, if the inherent strengths of the VCR product are reduced in number and quality simply to achieve a more competitive pricing position with videodisc."

"The major note of concern is stabil-



Alex Stone, president of Quasar.

ity. At the moment, the VCR business does not really have it. Will we learn from past experience and do better in the future? I expect that videodisc will offer stability because there will be a more obvious element of comprehensive interest—the manufacturing of hardware and software, plus distribution, which is not the case in much of the VCR business today."

Stone: "As opposed to popular belief, most projection tv systems are not sold to bars, hotels and other commercial locations where people meet. In fact, the consumer accounts for 85% of the sale of projection tvs with business representing 13% and consumer/business combination sales 1.7%."

"Not surprisingly, I suppose, we know that sports is the most popular viewing on projection tv. Actually,

39.1% of all viewing on projection tvs is sports, compared with 22.5% for movies and 11.3% for tv specials.

"Our research also shows that the husband watches tv on a projection unit the most, the wife least."

"Another thing we found is that 30% of all projection tv owners also own three color tvs and 55% own three or more color tv sets. Also, 63% of all projection tv set owners own a VCR, 94% own a stereo system, 51% own a tv game, and 68% own a microwave oven."

Fishman: "Indicative of the tremendous growth ahead, we expect that by the end of the decade, as many as 40% of all tv households may have videotape and videodisc machines, with perhaps another 10% of those households purchasing systems early in the next decade."

"With discs themselves less expensive than prerecorded videocassettes, sales of disc machines should overtake those of VCRs around 1984 or 1985. Sales of VCRs will continue upward, but should peak at one million units per year early in the decade, with demand for disc machines reaching as high as five million units by the end of the decade."

"Obstacles remain, however. The varied formats of the equipment plus the lack of compatibility between VCRs and videodisc systems can create confusion among consumers, which in turn can influence their purchase decision."

"Also, failure to offer a low-priced, stripped-down version of home video equipment could result in loss of the low end of the potential market. And since these machines are relatively

(Continued on page 51)

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CES COVERAGE

Personal electronics 'talk' to buyers

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added more sophisticated versions of their board games. Fidelity now has three speech synthesizer units in its line.

Fidelity also made news by its agreement, on the eve of the show, to acquire the consumer games division of Bally Manufacturing Co., in a major expansion move.

However, many introductions await the New York Toy Fair this month.

Harry Domash, partner in the Games Gallery, Carmel, CA specialty store, had his interest piqued by the new chess models from Fidelity and Chafitz, and sees his sales growing 20% in 1980.

A growing area that is a metamorphosis, of sorts, of computers, calculators and games, is the translator. TI, as noted, applied its speech synthesis technology of its Speak & Spell unit to a computer peripheral. Hand-held units from Nixdorf, which acquired Lexicon's unit and improved on it; Craig, and Panasonic, with its "Electronic Data Center" at a suggested \$169.95, made their show debut.

Panasonic's additional debut of seven calculators, from an 8-digit unit at a suggested \$12.95 to an \$89.95 desktop printer, marked its re-entry into the field after a five year hiatus. The re-entry indicates its belief that pricing stability has returned to the industry, a view shared by most retailers. Expressing renewed confidence in

the category were diverse types of dealers: Stationery store buyer Rinehart of Cleveland's Burrow's, who is especially high on printers; discount chain buyer Dempsey of Michigan's Giantway, who cited desk units in the \$40-\$100 range; Sherman Lang of New York's seven-store Brandsmart chain, who added that he is also "getting into watches;" John Watkins, vice president of Nashville's Kuhn's Big K 120-store chain; as well as buyers from department stores like Kansas City's Macy's, and Columbus' Lazarus.

Watches, which underwent a similar shakeout, were also stabilizing in price, although there were still some soft spots. Promotional LCDs were still to be had, but more and more buyers were focusing on the bigger tickets of multi-functional alarm and chronograph units and dollar-thin units.

A "talking watch" from Windert is expected to be ready by June at a \$125 retail.

Lazarus's Steve Egelhoff noted his firm had been in watches, but dropped them in the mid-70s, ad now intends to go back in.

The telephone industry, while backing off from the over-optimistic projections made at the time of the Supreme Court decision supporting ownership, nonetheless was a growth area.

Pricing was coming down a bit and there's a lot more product available.

New items include a Wonder Woman version of its Superman phone

from Allied Telecommunications that Mike Lancier, president, said would be available this summer. Cordless phones and answerers proliferated.

The major problem continues to be consumer education, primarily on the legality of ownership, but also on the benefits, retailers and suppliers agree.

The informative campaign by ITT was cited as helpful. "We got copies of their ad and posted them throughout the store," said John and Joyce Hatzman of Bakersfield, CA, whose Phone Factory is doing well.

They said doing especially well were answering machines, automatic dialers and memory phones at prices ranging from \$150 to \$350.

Word of mouth referrals, from consumers who see a new phone unit in a friend's house, are a good source for prospects, they said.

But, echoing the belief of other retailers, Mrs. Hatzman said, "Suppliers still need to do more in the way of promotion."

A Midwestern discounter said his firm had gotten out of phones, primarily because of the inability to compete against Ma Bell. However, others reported growth, albeit not as great as earlier predicted, for the category.

Segments particularly cited were the answerers, many of whose entries were announced prior to the show, and the wireless remotes.

That cordless phones are attracting increased industry interest was evinced by introductions at the show by Fracom/Rovafone with a \$289.95

list; Universal Security Instruments with its calculator-styled "Tote and Talk" \$249.95 unit; Mura Corp.; and others, along with earlier announced entries by CB-maker Dynascan Corp., and scanner manufacturer, Electra Co., which acquired the "Freedom Phone" from Royce.

Another new phone device entrant is Toronto-based Dictograph Corp. with its "Phone Controller" dialer, with a \$99.95 retail.

The lower profile of CB was evident in the limited number of new entries, further price erosion, and modest sales projections—around 2 million for the year.

However, higher-end units were taking a bigger share of the market as replacements become a factor.

Said Lee Brillhart, president of the 14-outlet Tape Town, Seattle, "Sales seem to be about the same each month. We're selling no low-end CB. It's mostly units with a remote mike, between \$90 and \$140."

Bill Guerry, Sandy's CB Center, Riverside, CA, citing such price cuts as a \$250 base unit being offered by one supplier for \$70, said CB business had been slow. But, he added, his service business was up and he was now the only retailer left in his area. He also said scanners were "not doing badly."

In the diverse arena of personal communications, there were still far more positive than negative forces, and even in an uncertain economy, overall growth is expected.

—Jack Blood

Video panelists see potentials, obstacles

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high priced and since the decision to purchase them can easily be postponed, sales figures are subject to major financial downturn.

"I'm predicting unit sales of VCR this year of 575,000 to 700,000 and 700,000 to 800,000 in 1981. In videodisc, I believe that 10,000 to 25,000 optical units will be sold this year."

Marini: "Our recent survey of videocassette recorder owners showed the owners overwhelmingly satisfied with their unit's performance and convinced of the wisdom of their purchase.

"We found extraordinary levels of gratification and only in rare instances was there dissatisfaction with unit performance. Some 82.7% of those owners surveyed said they would definitely buy VCRs if they didn't already own them, 11.8% said they probably would buy them, 2.3% indicated they weren't sure and only 1.6% said they either probably or definitely wouldn't buy a VCR.

Meserve: "We expect retail sales of personal computers will reach \$950 million and 600,000 units by year end, up from \$500 million in 1979. We also believe that the consumer segment of the market will show the most significant gains, making 1980 the long-awaited year of the consumer. Sales to consumers will rise from \$30 million in 1979 to \$120 million in 1980.

"The consumer market in 1979 did not take off as many industry observers had predicted. However, the industry as a whole did well, showing a 67% increase in sales over 1978, thanks to a strong showing from the other major segments—the very small business users and the traditional technology-based segment.

"We anticipate further testing to

determine whether personal computers can be sold to consumers through mass retailers and whether the very small business segment will be best served by direct sales or retail outlets. The traditional computer store will have to decide whether it will continue to focus on the technology-based user or shift strategies to win a share of either the mass consumer or very small business segment."

Friedlander: "A lot of people are very optimistic about the television business right now. Coming off a record year in unit sales for color tv in 1978, we experienced only a little more than a 3% drop in unit sales in 1979 and

we see another 3% drop this year from '79. We think it will come in at a 9.3-9.5 million unit sales year.

"Black-and-white is doing amazingly well and we see 5.8-6 million b/w units sold this year.

"Generally, we anticipate a lot of changes in the black-and-white marketplace in terms of screen sizes, AC/DC and remote control features.

"In color, the 13-in. screen sizes will come on strong and could represent 18-20% of the market this year. Twelve-in. models will fade—we don't see much action in this area. The 15-in. and 17-in. screens also seem to be fading in popularity and will account for less than 5% of the market this year. We see 19-in. as the strongest color size

this year, particularly those with electronic tuning.

Lipper: "The general public is becoming more aware of the personal computer. One reason, of course, is that so many general interest consumer magazines have covered the subject in one form or another.

"We can report that 85% of our accounts have reordered our computer within the past three months and at least 50% have reordered twice. So we see a deep penetration in new market distribution. The personal computer represents tremendous business for retailers and that business starts this year.

"The market is there and it's there now."

Phone panel sees solid foundation for the future

PANELISTS: Peter Grant, vice president-marketing, Code-A-Phone; Lou Gervolino, director of marketing, ITT Personal Communications; Dennis Burke, general marketing manager, Dynascan Corp.

Gervolino: "The Supreme Court ruling two years ago ended a 70-year monopoly on the sale of telephones. This generated staggering market projections—76 million households, two phones in each or 152 million prospects, but the market did not explode.

"The industry challenge is to educate consumers and help them break old habits and to counter the telephone companies' aggressive publicity—AT&T opened 1200 stores in 1979—to hold on to their market. A parallel situation occurred in the '20s, when utilities leased appliances, until brand manufacturers broke this hold.

"Increased promotional effort is needed, like the ITT ad campaign



BUSY SIGNALS: The Telephones and Answering Devices panel consisted of (left to right) Peter Grant, Code-A-Phone; Lou Gervolino, ITT Personal Communications; and Dennis Burke, Dynascan Corp. All projected growth this year in their markets.

launched in September, that informed consumers that phone ownership is possible and simple to install, and provided an 800 number for further information. Helpful is proposed New York state liberalization of inter-

connections that would permit do-it-yourself jacks for extensions.

"Technological developments—LED displays with the number called, the length and cost of call; units that

(Continued on page 54)

formerly Merchandising Week

AS CARROLL A. SPRINGER, SECRETARY

MARCH 1980

FOR AN INDUSTRY WITH MORE THAN TODAY ON ITS MIND

[illegible]

Trendings in Personal Electronics

Say non-video games aren't for everyone despite boom

Non-video electronic games have experienced tremendous sales growth over the past year, up to \$375 million in 1979 compared with \$112 million in '78 and \$21 million in '77, according to a Toy Manufacturers of America survey.

In fact, electronic games were the number one selling toy category in '79

versus a No. 7 ranking the previous year out of 51 toy categories tracked by the TMA.

But they may not be for everyone.

Many retailers have been frustrated by their inability to cash in on this new merchandising phenomenon. And the reasons may sound all too familiar.

Mass merchandisers and the toy su-

permarkets and smaller specialty stores have all but taken over this category, many other retailers complain.

It's not so much that they don't like the competition. They just don't like the way the mass merchants are handling this new bonanza.

For instance:

- Many smaller retailers who had

ordered electronic games in plenty of time for the important Christmas selling season never received them. The larger retailers, they complain, got priority delivery from manufacturers.

• Once the mass merchants received the games, they reduced prices immediately, then promoted the games heavily, treating them as traffic builders.

At this point, some of the smaller stores, once they get deliveries (which they have been promised), plan to keep inventories very tight.

There's a certain irony here. Just a year or so ago, retailers groused that there weren't enough games to choose from. This year, there's a very real possibility of a shakeout as merchants may be confronted with too many SKUs.

Another problem retailers report is that there are too many games coming to market that look alike, functionally and cosmetically.

Amid all of these concerns, there's a positive sign. This has been the consumers' acceptance of higher price points as demonstrated by the success of Texas Instruments' over-\$50 Speak and Spell "play and learn" game.

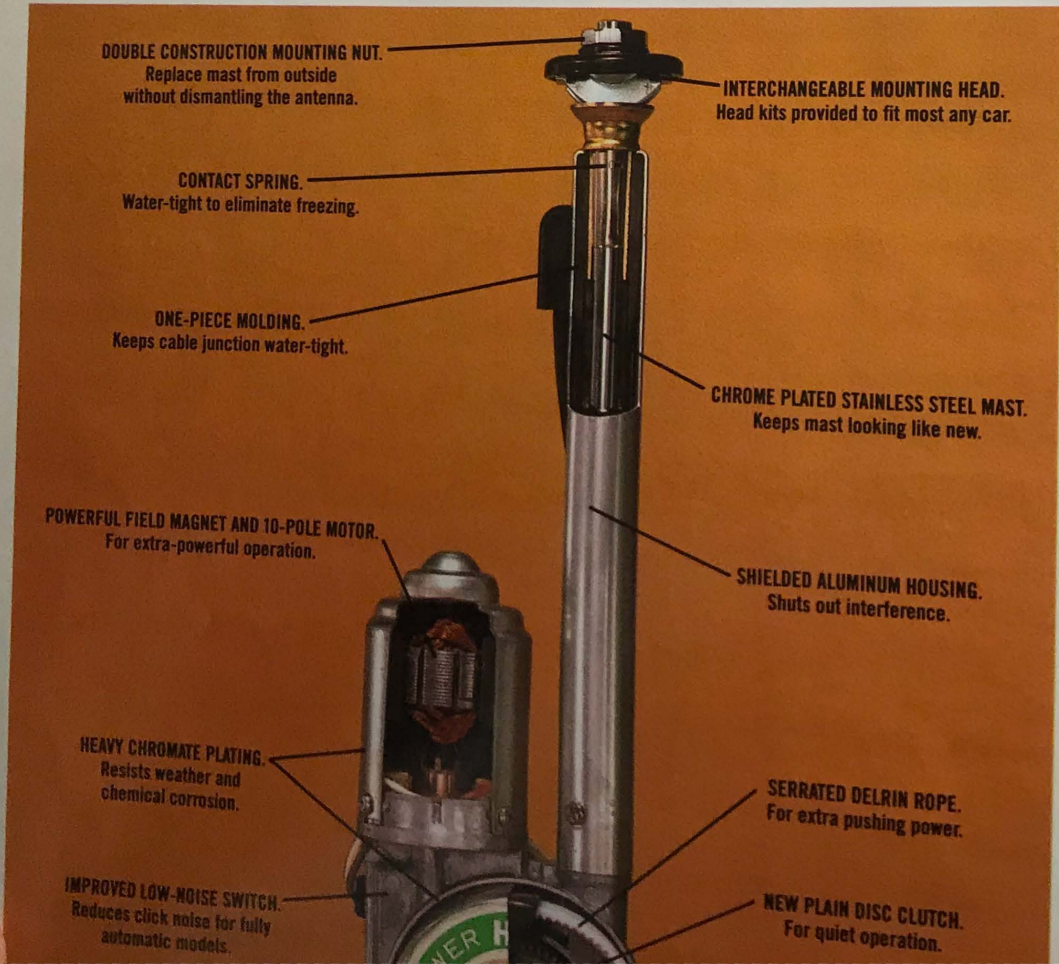
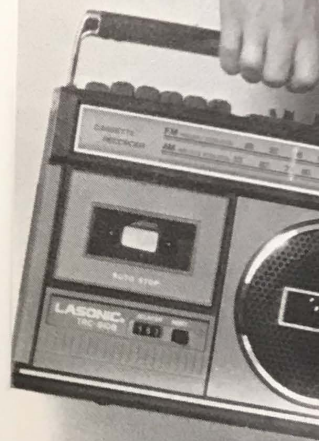
Of course, no one knows if this will continue, but they'll soon get a chance to find out. Milton Bradley, Parker Brothers and Entex Industries are test marketing hand-held and board games in the \$50-plus price bracket.

Against this background, the big challenge, as many retailers see it, is trying to maintain a sales pace during the so-called off (non-Christmas) season.

* * *

Phones and telephone answering devices continue to do well in most markets.

Answering devices, in particular, have been experiencing strong sales when promoted, even to consumers who profess to never having been able to justify the purchase.



We're the ma
an importer.

We deliver good

ronics Analysis

n actual numbers, sales to dealers in 1979 were 478,000 units, valued at \$431,292,000. This compares with 400,000 unit shipments in the previous year, valued at \$356,480,000.

of particular interest to a growing number of consumers have been the programmable, extended play (up to six hours), and portable models. In fact, programmable models account for at least half of all VCR sales and this rate is expected to increase rapidly in favor of the more advanced units.

Better distribution

Another reason for optimism is that distribution is broadening, boosting consumer exposure and interest. Projection, or wide-screen, tv also continued its measured growth in

1979. Industry shipments rose to an estimated 63,000 units versus 54,000 in '78 and demonstrated its high-end sales potential by recording a retail value of \$182,700,000, up from \$124,200,000 in '78.

Surprising to some, the great majority of projection tv systems are being sold for home use (about 85% of all sales), normally to an upscale consumer—one with plenty of adult toys at home.

The tv games market is foundering somewhat, possibly at the expense of other video products (such as VCR) and non-video electronic games. But it remains a market of some size; 1,685,000 units were shipped in 1979, valued at \$105,955,000 at retail. •

T LIKE THE PROS, HEARD-OF PRICE. 7 RADIANCE SERIES.

nnel—highly efficient when compared to other speakers in their class. And yet they can handle the power—from 80 watts per channel to 200 watts per channel.

Radiance loudspeakers come in three models: a two-way system, a two-way system with a 10" woofer, and a three-way system with a 12" woofer.

and professional equipment. They're evaluated with the same computer facilities and test equipment used in the development of the more costly JBL speakers.

And they're subjected to the same rigorous demands of JBL's listening panel, the committee that must give the final auditory "o.k." to any JBL.

The Imagination Machine

The personal computer that's bigger, better, and even more profitable than ever.



Imagine that!

The personal computer bug "bytes" hard. Once someone's got it, they want to do more and more. And that gives you the opportunity for more and more business. APF has turned opportunity into reality.

Now when an Imagination Machine owner wants more memory, you'll have it. When he or she wants to add a printer, you'll have the hardware. When they want to "talk" to other computers, you'll have a line on it. And if they're after more speed, your floppy drives will make 'em flip.

The only expandable, user-programmable, personal computer at its price point is being delivered to dealers across the country, now. See it today. It's even more than you imagined!

APF electronics inc.
444 Madison Avenue
New York, NY 10022 (212) 758-7550

HOME and AUTO ELECTRONICS

1974	1975		1976		1977		1978		1979		PRODUCTS
RETAIL VALUE (000)	NUMBER SHIPPED (000)	RETAIL VALUE (000)	NUMBER SHIPPED (000)	RETAIL VALUE (000)	NUMBER SHIPPED (000)	RETAIL VALUE (000)	NUMBER SHIPPED (000)	RETAIL VALUE (000)	NUMBER SHIPPED (000)	RETAIL VALUE (000)	
VIDEO											
679,792	4,968	529,160	5,196	567,430	5,664	650,913	6,064	701,134	6,281	681,867	TV, B&W, Total
648,592	4,888	513,240	5,134	554,472	5,617	640,338	6,030	693,450	6,258	675,864	Portable & Table
31,200	80	15,920	62	12,958	47	10,575	34	7,684	23	6,003	Console & Combo
3,637,200	6,485	3,270,926	7,700	3,933,156	9,107	4,438,234	10,236	4,992,654	9,793	4,617,829	TV, Color, Total
2,121,600	4,403	1,919,708	5,428	2,415,460	6,600	2,778,600	7,618	3,207,178	7,530	3,094,830	Portable & Table
1,515,600	2,082	1,351,218	2,272	1,517,696	2,507	1,659,634	2,618	1,785,476	2,263	1,522,999	Console & Combo
-	7	-	12	26,400	20	38,000	54	124,200	63	182,700	TV, Projection
-	-	-	43	51,600	225	247,500	402	356,480	478	431,292	Videocassette Recorders
-	350	-	3,550	150,500	5,420*	263,550*	2,585	163,075	1,685	105,955	TV Games
AUDIO/HIFI											
1,007,765	10,105	1,017,339	10,891	1,142,529	12,045	1,323,775	13,190	1,497,340	14,425	1,666,375	Components, Total
336,000	970	306,000	1,050	341,250	1,185	392,235	1,320	442,200	1,450	398,750	Receivers
69,300	263	75,744	275	81,125	320	96,640	370	111,740	417	116,760	Amps, Pre-Amps, Tuners
167,865	1,709	179,445	1,866	222,054	2,015	251,875	2,200	281,600	2,433	316,290	Turntables (Excluding OEM)
64,000	2,533	64,600	2,600	67,600	3,000	81,000	3,200	89,600	3,500	98,000	Cartridges (Excluding OEM)
300,000	2,550	318,750	2,800	350,000	3,125	415,625	3,500	476,000	3,850	600,600	Speakers (Components Only)
70,000	2,080	72,800	2,300	80,500	2,400	86,400	2,600	96,200	2,775	135,975	Headphones
-	3,491	680,860	3,582	715,696	4,508*	914,896*	4,474	962,979	4,341	939,028	Compact Systems, Total †
-	36	5,760	38	6,260	45*	7,515*	53	9,275	73	14,162	Cassette Bimode
-	528	83,952	525	85,575	631*	104,115*	603	102,510	383	54,769	8-Track Player Bimode
-	798	158,802	843	171,972	1,081*	222,685*	1,038	221,094	777	140,637	8-Track Player Trimode***
-	590	108,560	555	102,675	685*	128,780*	600	120,000	417	79,230	8-Track Recorder Bimode
-	325	32,500	324	33,048	399*	41,496*	350	38,500	268	37,788	Changer Bimode***
-	1,024	244,736	1,100	267,300	1,397*	342,265*	1,500	382,500	1,188	283,932	8-Track Recorder Trimode***
-	190	46,550	197	48,856	270*	68,040*	330	89,100	1,235	328,510	Cassette Trimode***
-	10,240	486,893	11,182	531,485	12,239	584,735	13,198	680,991	13,407	674,475	Portable Tape, Total
505,832	8,663	381,172	9,546	419,400	10,500	462,000	11,600	568,400	12,250	600,250	Cassette
423,292	1,479	93,177	1,542	100,230	1,637	109,679	1,513	101,371	1,100	67,100	8-Track Players
70,440	98	12,544	94	11,855	102	13,056	85	11,220	57	7,125	8-Track Recorders
12,100	486	133,057	518	147,187	591	162,375	650	182,290	675	183,510	Tape Decks, Total
125,295	291	66,057	313	71,677	385	88,165	440	103,840	495	113,850	Cassette
59,780	87	13,000	90	13,410	97	15,132	95	15,200	72	10,800	8-Track
680	108	54,888	115	62,100	109	59,078	115	63,250	108	58,860	Open Reel
											Console Stereo**

TOTAL TELEVISION

ONLY FROM MAGNAVOX

VIEW IT.

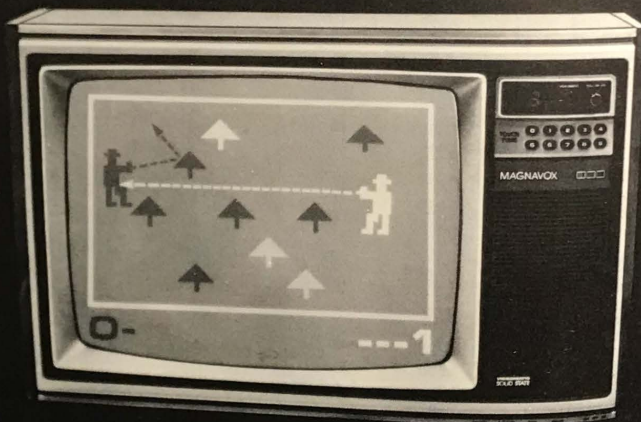
...new Magnavox Touch-Tune Television. Future. Tune-in a 25% sharper color picture before possible. Instantly. Automatic micro-computer. At the set. Or even by remote control. Leap electronically to any of 82 JHF or VHF. And Magnavox Touch-Tune is cable-ready for 20 cable channels with a converter. Incredible!



PLAY IT.

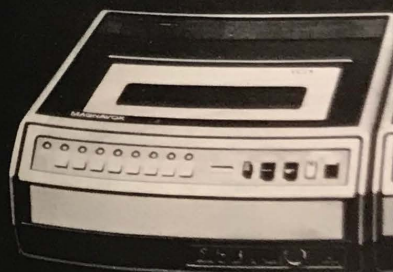
...with Odyssey 2. The ultimate computer video game. From the originator of them all... Magnavox. Now your TV can be a Las Vegas casino, a big-league ball park, even a classroom. The magical world of Odyssey 2 is all that and more.

Mind-boggling!



STAR ON TV.

...with Magnavox portable video recorders and cameras. Now you can relive the good times wherever they happen. That family picnic. That little league game. You can play them back as soon as you want. Right on your own TV. Just the way you want to make you a TV star. Ingenious!



WE MAKE STAYING HOME FUN

32. The Man Who Would Be King	15	3
33. Nashville	N	15
34. A Touch of Class	22	3
35. Papillon	28	8
36. Citizen Kane	29	15
37. King Kong (old)	10	15
38. Love Story	30	14
39. Bruce Lee—Super Dragon	40	4
40. The Shootist	42	15
41. Paper Chase	31	2
42. In Praise of Older Women	45	15
43. Mighty Mouse	39	3
44. The Sailor Who Fell From Grace With the Sea	33	14
45. Those Magnificent Men in Their Flying Machines	44	12
46. Tunnel Vision	N	14
47. A Man and a Woman	18	9
48. Fantastic Voyage	46	13
49. Fantastic Animation Festival	N	16
50. Flash Gordon Conquers the Universe	47	5
	N	5

Activision to market video game/computer programs in spring

SUNNYVALE, CA—Activision Inc. has been formed here to develop and market video game and home computer programs.

"The video game/home computer market promises to be the fastest growing new consumer market of the 80s," says James Levy, president of the new company. "Activision will create

and market a wide variety of video game and home computer programs designed for the home user, and will support the efforts of video game and computer hardware manufacturers and sellers in building a huge new market."

The company's first products, to be announced in the spring, will be several new game cartridges for the Atari video game system.

Levy was most recently corporate vice president for GRT Corp.

Video Tape Network gets 'Comedy Tonite'

NEW YORK—Video Tape Network has obtained the non-broadcast rights to "Comedy Tonite," an hour-long compilation of comedy routines featuring the quick and irreverent wit of members of the Chicago Hysterical Society.

Taped live at Chicago's Banana Boat Club, "Comedy Tonite" is the

first comedy show produced specifically for the home videocassette market, according to John Lollos, VTN executive producer-senior vice president.

The show will be marketed as a VTN "home" videocassette, as a 60-minute program for VTN's closed circuit college network of 650 affiliates and as a pay cable special. →

Publishes
over 59,
appliances
nationally

**NE
EMPL**

For just
MARKET
a highly

For more
AD MARK

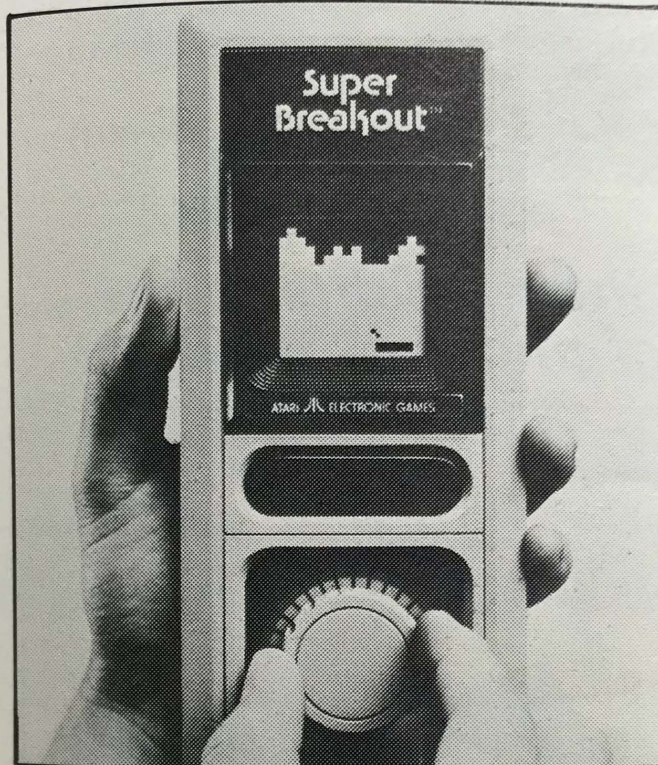
nica, U.S., Inc. introduces the ATH-2 stereophone, which, like its ATH-1 predecessor, makes use of a flat moving coil-diaphragm assembly.

The ATH-2 utilizes a thin diaphragm onto each side of which is

nance-damping material.
retail is \$350.

Audio-Technica U.S., Inc.
wassee Ave., M, Fairlawn,

Atari offers more hand-held games



Atari's Super Breakout

NEW YORK—Atari Inc. is expanding its hand-held electronics games product line with the Space Invaders and Super Breakout games.

Super Breakout is a pocket-sized hand-held version of Atari's home video and coin-operated Breakout game. It features an LCD as well as a contrast control knob, piezo-electric speaker, difficulty/game select switch and knob control.

Like Super Breakout, Space Invaders features a high resolution display, precise controls of the game action, and sound.

Atari Inc., 1265 Borregas Ave., Q.O.
Box 9027, M, Sunnyvale, CA 94086.

Webcor introduces

FOR C

Finally. Cassette

with a gold ear and

Top of AKAI's

GX-M10, featuring

Field Super GX head

formance on metal

on all conventional

The GX-M10, a

Instant Program Se

plays any one of 9 s

AKAI's CS-MC

the economical Ser

results on all tape f

of only \$229.95.

Both units are

price with super de

current erase heads

with the 3-speed record changer as is the hinged dust cover.
Also, Magnavox has expanded its line of portable AM/FM radio/cassette recorders with the addition of

New features added to TI learning aids

LUBBOCK, TX—New features and accessories for the Little Professor, Data Man, Spelling B and Speak & Spell learning aids were presented by Texas Instruments, Inc.

Features include an APD automatic power-down feature which conserves batteries by automatically turning the unit off after 5-15 minutes of inactivity.

The Speak & Spell unit now comes with an earphone that permits silent use of the product. The new version of this unit has a suggested retail of \$75. Three new modules, each with a suggested retail of \$20, are Basic Builders, Mighty Verbs and Homonym Heroes.

Also from TI are five new peripherals to expand the capability of the TI-99/4 home computer.

Included are a mini-floppy disk system, which has a suggested retail of \$300 for the controller and \$500 for each of 3 disk drives; RS-232 interface, with a suggested retail of \$225; acoustic modem, for \$225; speech module, for \$150; and thermal printer, with a suggested retail of \$400.

Texas Instruments, Inc., P.O. Box 53, M, Lubbock, TX 79408.

Gusdorf introduces audio/video cart

ST. LOUIS—This cart from Gusdorf (model 4840) neatly holds and stores audio



Unm

It's time we revealed what's in the w
High Perform

AudioMagn
You can tell
blindfolded.

Happenings

At the Toy Fair

Producers extending electronics well beyond games and vehicles

NEW YORK—Virtually every major toy company, and certainly every game manufacturer, showed up at the recent American Toy Fair with an electronic something.

"At this year's Toy Fair," John Sullivan, chairman of the Toy Manufacturers of America and president of Lego Systems Inc., said, "you will see an extension of microprocessor use to categories other than games and vehicles." He emphasized that further applications of electronic and other new technologies will continue to expand into virtually all basic toy categories.

Fisher-Price Toys, for example, entered the electronics market in February with two new toys, a baby doll that giggles and coos electronically and a spaceship with a three-button control panel of lights and sounds.

F-P has put together a group of researchers and designers charged with exploring new technologies for use in toy design. "As long as these new technologies are applied within the Fisher-Price philosophy of quality," said Robert Ostrander, director of product development, "they will be accepted."

Game market up 300%

According to a just completed statistical survey of the toy association's membership, the electronic games market increased over 300% in 1979 to \$375 million, up from \$112 million in '78.

However, Arnold Greenberg, president of Coleco, thinks the market is bigger.

Coleco estimates the electronic games market at \$400 million last year and breaks it down like this: \$200 million in sales for sports-related games, \$125 million in so-called action games, and \$75 million in sales for the "play and learn" games.

In sports games, Coleco breaks down the market even further: \$100 million for football games, \$50 million for electronic baseball games, and the remaining \$50 million for soccer, hockey and basketball.

"We have seen no development so sweeping in the (toy) industry than microelectronics," Greenberg said.

Market segmentation

"Electronic games proved themselves last year," according to Meryl Weinreb, Kenner Products' electronics product manager. "It's fast becoming a staple category, with toy and game items segmenting to different interest groups."

Cincinnati-based Kenner will add two games to its electronic line in 1980.

Mattel, considered to be the leader in electronic games, introduced several new products at the Toy Fair, including Funtronics, a series of new hand-held games.

Atari demonstrated two new hand-helds, Space Invaders and Super Breakout. Both are pocket-sized versions of two highly successful arcade games by the same names developed by Atari's coin-operated games division.

(Warner Communications, Atari's parent company, stated in its fiscal 1979 financial report that toys and electronic games revenues rose 34% to

\$238,066,000, and operating income to \$6,293,000, compared to a loss in 1978. "This was primarily the result of higher consumer demand for Atari's electronic video games and related software," the report added.)

Several new offerings

Another big name in electronics (and toys), Milton Bradley Co., added

two new members to its family of Simon games, plus Omni Entertainment System and Plus One, which are billed as more complex family games.

Bambino Inc., Los Angeles, in addition to its own football, soccer and ice hockey versions, has electronic boxing, safari, and several electronic piano and organ models.

Entex Industries has also expanded its electronic line with two football games, a gin rummy game and a minicomputer. Entex also introduced a voice-actuated toy truck.

The shift to non-game electronic products could be significant as buyers become bogged down with a lot of SKUs that all look the same, or at least do the same things. Some retailers and manufacturers look for a shakeout this year or next as more emphasis is given to inventory management in the electronics games or toys categories and the brand name suppliers—those with the big advertising and promotional budgets—become stronger with the more traditional, less specialized (non-toy) retailers.

There are pluses, too, however.

Game market broadening

Both electronics and toy manufac-

turers have found that their markets are broadening. As games have become more complex and diversified, more adults are buying them for themselves. At the same time, more pre-school electronic games and toys are being brought to market.

Texas Instruments, in particular, helped allay retailers' fears that higher-priced electronics wouldn't sell, with its successful Speak and Spell toy/game.

Despite some retailer fears of chip shortages, game and toy manufacturers tend to believe that this is less of a problem today.

"Shortages of micro-chips has received a lot of attention," said Kenner's Weinreb. "However, the future of electronic games is very bright. More chips are becoming available every year and toy manufacturers will con-

tinue to find new and exciting applications for them."

Chip commitments in advance

Michael Katz, vice president-marketing at Coleco, said the availability of chips has been "generally poor. You have to have a very good relationship with your vendor and commit as much as 12 months in advance."

Just to cover all of its bases, Coleco has set up an office in Hong Kong. According to Coleco's director of Far East operations, Alvin Brown, the company is looking for additional sources of supply from the Far East and especially from Hong Kong. Brown noted that about 65% of Coleco's purchases come from Hong Kong and he predicted that in 1980 purchases from there are going to increase.

Most electronics imports dip, color tv drops sharply

WASHINGTON—U.S. imports of most consumer electronics products declined in 1979, with color television receivers showing the sharpest drop to 1,368,600 units, down 50.7% from 2,774,856 units imported in 1978, according to the marketing services dept. of the Electronics Industries Assn.'s Consumer Electronics Group.

Color television imports in the fourth quarter of 1979 declined to 290,222 units, off 62.6% from 775,147 units landed in the same period of 1978.

Monochrome television imports for 1979 amounted to 5,874,099 units, a decrease of 1% from 5,931,257 units im-

ported in 1978. Fourth-quarter 1979 imports of monochrome tv rose to 1,615,107 units, up 1.4% over 1,593,274 units brought into the U.S. in the same period of 1978.

Videotape recorder/player imports in 1979 increased to 629,280 units, or 23.6% ahead of 509,155 units landed in 1978. Fourth-quarter imports were 221,942, an increase of 66%.

Home radio imports in 1979 dropped to 28,998,148, a decline of 23.6%; fourth-quarter imports decreased 12.1%. Auto radio imports were down 18.5% for the year and 30.7% for the fourth quarter.

Phonograph imports in 1979 increased 36%, while in the fourth quarter they rose 40.6%. However, phonograph combination imports dropped 22.2% for the year and 32.1% for the fourth quarter.

Imports of record players, record changers and turntables slumped 36.7% and 37.4%, respectively.

Audio tape recorder/player imports in 1979 advanced to 16,183,929 units, a gain of 1.2%, while imports were up 0.7% in the fourth quarter. Auto audio tape player-only imports in 1979 were off 0.2% and fourth quarter imports dropped 14.3%.

Robert Dewar elected chairman of NRMA

NEW YORK—Robert Dewar, who has been first vice president last year, has been elected chairman of the National Retail Merchants Assn.

Dewar, who is chairman and chief executive officer of K mart Corp., succeeds Donald Seibert, chairman and CEO of JCPenney Co., who had served as NRMA chairman for the past two years.

Other new NRMA officers include Allan Johnson, chairman-retail division, Batus, Inc., first vice chairman; and David Waters, chairman and CEO, Garfinkel, Brooks Bros., Miller & Rhoads, Inc., second vice chairman.

Herbert Strawbridge, chairman and CEO, Higbee Co., was reelected NRMA finance chairman, and James Williams was reelected president and treasurer.

Edgar Legum named president of George's

WASHINGTON—Edgar Legum has been named president of George's, Washington-Baltimore hard goods chain. He succeeds the late Herbert Filderman.

Legum had been president of the now defunct Legum Distributors, Inc., Baltimore.

BIA to sponsor annual Nat'l Barbecue Week

OAK BROOK, IL—The Barbecue Industry Assn. will sponsor its second annual National Barbecue Week, April 24-May 4.

Arthur Seeds, executive vice president of BIA, said the objective of the event is to increase volume and profits for the retail trade and barbecue industry by aggressive sales promotion early in the season. Hopes are that the week's activities will generate sales that match those rung up for the Memorial Day, Fourth of July and Labor Day holidays.

Seeing is Believing!

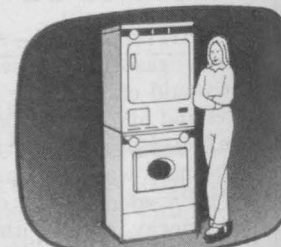
See for yourself why White-Westinghouse is the company to believe in...in 1980!

We can prove to you and we can prove to your customers that White-Westinghouse has the product, the people, and the promotions that are going to sell merchandise.

A great new spokesperson your customers will believe in...



Julie Amato will be delivering the White-Westinghouse Believability story... with proof on radio, television and in print. Julie Amato, a name audiences will see and hear a lot of in 1980. Julie was selected from several hundred candidates. Of all the candidates, Julie scored head and shoulders above all others... test after test. The test results proved people believed what she said!



REDBOOK
Parents Bon Appétit
Better Homes People
GOOD HOUSEKEEPING
Woman's Day
Sunset Southern Living
HOUSE & GARDEN HOUSE BEAUTIFUL

Proof-oriented national advertising to believe in.

We've produced strong, hard-hitting proof-oriented commercials, print ads, point of sale and direct mail. Also coming will be another star-studded White-Westinghouse television special. Julie Amato will be delivering strong consumer messages on network radio, spot television and backed by heavy schedules in consumer magazines targeted to your prime customers. America will be seeing a lot of White-Westinghouse this year.

New products to believe in.

White-Westinghouse introduces new dishwashers; new chest and upright freezers... with all important energy-saving features; new modular ranges in cooktops, built-ins and free-standing versions; complete new line of gas ranges, including Tri-Level... many models with automatic ignition; plus Tri-Level ranges with microwave upper oven and conventional gas or electric oven below.



A Believability Center to believe in...

You can prove to your customers that White-Westinghouse is the appliance to buy, so we have developed a promotion called "Seeing is Believing". It will make it possible for you and your sales people to close the sale with strong product proof and product demonstrations in the all new "Believability Center", focusing special attention on key products.

White-Westinghouse your Sales!

W White-Westinghouse Appliance Company

930 Ft. Duquesne Blvd. Pittsburgh, PA. 15222

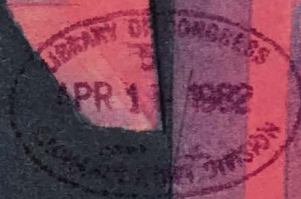
Merchandising Week

A GRALLA PUBLICATION

APRIL 1980

Merchandising

INDUSTRY WITH MORE THAN TODAY ON ITS MIND



of color tv, how gains

TON, DC—Total U.S. to retailers of color tele- and home videotape creased in February and st eight weeks of 1980, the same periods last

apiled by the marketing tment of the Electronic n.'s Consumer Electron- wowed February color tv ers of 726,326 units, up ,411 units sold in the st year. Color television first eight weeks of 1980 42 units, an increase of 1,333,522 units sold in e period of 1979.

ape recorder sales to re- ted to 54,977 units in), a gain of 67.2% over old in February, 1979. s to dealers in the first 1980 increased to 95,420 over 56,211 units sold months a year ago.

te television receiver rs totaled 397,617 units own 14.5%), and 722,993 first eight weeks (off

ases prices nce timers

, IL—The Appliance f the General Electric d, by 4% to 7½%, prices nge oven, minute and timers, effective Feb.

ment programs have for the department to ses to well below the ken in material and la- ls said.

Z. George Zephries charge of the Ekco Products International Co., a post he held previously.

Also, Elliot Black has been named vice president of marketing for Ekco. Black was formerly with the S&L Corp.

In addition, Donald Jacobs has been appointed vice president of sales and merchandising. He was formerly vice president of sales and marketing.

APF offers two programs for its personal computer

NEW YORK—APF Electronics, Inc. now has available the "Personal Business Machine" program for its Imagination Machine. This program allows you to calculate financial status and compute loan amortiza- tion, interest and principal payments, interest rates, etc.

Also, APF is offering the "Space, Size & Surface Guide" program.

The program does all the figuring by asking for dimensions, areas to be covered or left uncovered (like windows, doors, driveways, etc.) while tabulat- ing the amount of materials required to complete the job. The program also computes the cost between different priced products and shows the various percentage margins to allow for extra materials due to patterns, fittings around doors and windows as well as the consumer's abilities.

Suggested retail for APF's cassettes and cartridges range from \$19.95 to \$29.95.

Firestone names Ross general mgr.

AKRON, OH-

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Merchandising

formerly Merchandising Week

PUBLISHED FOR AN INDUSTRY WITH MORE THAN TODAY ON ITS MIND

JUNE 1980



The Electronics Art -
Harder Sell for High Technology

Trendings in Personal Electronics

Retailers due to be quick to shop, but slower to buy

Personal electronics retailers will be doing their usual early Christmas shopping at the Consumer Electronics Show this month. ... but not necessarily buying. That may have to wait.

If retailers—all retailers—have anything in common at the moment, it's that they're maintaining very tight inventories. This pattern (see Retail Opinion File survey results elsewhere in this issue) isn't likely to change any

time soon, and it's putting pressure on both retailers (how much to buy) and vendors (how much to make).

Still, there are some bright spots, and cautious inventorying or not, most personal electronics dealers feel good about their second-half prospects.

Electronic games, of course, are expected to turn in another strong fourth-quarter sales performance.

The good news is that electronic

games is still a booming market with a lot of new products with what their manufacturers call "play-value." The bad news, as some retailers see it, is that they may have to commit earlier than they would like to some big numbers or run the risk of coming up short as Christmas shopping reaches its peak. Then there's the annual chip shortage, which means they may come up short anyway.

Another dealer concern is that prices of the games will climb again as chip prices increase, resulting in greater buying selectivity. And dealers seem less interested at the moment in carrying a range of products for step-up opportunities. They're thinking, as one put it: "We'll stick with what sells, and we know what sells from experience."

Phones and phone answerers probably rank next as sales gainers in personal electronics. And they're both second-half items.

Retailers are handling the phones in one of two ways at the moment, depending on their own perceptions of their marketplace—as very practical and an economically sound purchase, and as a fashion item. At any rate, this is an area in which inventorying will be tight for most merchants as it still is considered pretty much of a discretionary product.

Phone answerers, on the other hand, are expected to do well this year as

THE DIALER IS DEAD... LONG LIVE



the phone Controller™

A lot of potential customers simply haven't been turned on by dialers. Maybe it's because dialers haven't offered them enough for their money. All that will change when you show them the Phone Controller™ — the instrument that takes over the telephone and makes it work for you instead of the other way around.

Look at these features and you'll see why Dictograph is setting new standards for the communications industry. Only Phone Controller™ offers so much for so little money.

Phone Controller™ has programmable automatic redial that gets through a busy line faster: it'll dial once each minute as long as

Phone Controller™ will dial any number at a single touch without picking up receiver or

Phone Controller™ can be used on the desk or wall-mounted. Hookup is with simple, Telco-approved modular connectors. The Phone Controller has four emergency number storage locations. It can be used with any phone, on any phone system anywhere in the world — even on multi-line key telephones.

Phone Controller™ has even more features. See and try it today and find out what the industry is talking about.

Overviews

America sees and hears at home and will give the entire video business a tremendous lift."

Goldstein noted, however, that tighter credit could be "a short-term drawback in big-ticket products like projection tv."

Advent's one-piece 60-in. system, model 125, shown in Las Vegas last January, carries a suggested retail of \$4,000. "I don't see the price coming down significantly," said Goldstein.

Whereas last year Advent opted against fall advertising, a consumer campaign is planned for the last quarter of 1980. At press time, media had not yet been determined.

Noting that "video offers retailers a tremendous opportunity," Goldstein asserted, "VCR, disc and projection tv

give you the possibility for repeat business in a way that's not been known before. With a music system, for example, the fans come back, but the masses don't. With tv, there were previously no other products for consumers to use with them.

"But with video, consumers will be buying additional pieces of equipment over a period of time, which is a very exciting prospect. Audio can also get a real boost from the video revolution," added Goldstein.

Predicting 1980 sales of 60,000-70,000 projection tv sets, "Super" Yamaguchi, president of Melco Sales, said "the business is growing. Projection tv is still in the embryo stage and most of the people who buy it are Mercedes Benz-type

customers who pay cash."

Melco, which markets products under the Mitsubishi and MGA labels, has refined its 50-in. projection tv offering this year with the addition of a door for a complete furniture look. The price has been raised \$200 to a \$4,000 retail.

On lower priced units now being introduced, Yamaguchi concedes, "pricing may have some effect, but it is really not the lower-price segment of consumers to whom we are marketing our product in any event."

Estimating total industry sales of about 60,000 units, Lud Huck, General Electric's tv marketing manager, said that despite the "recessionary environment, we're still reasonably optimistic about a product

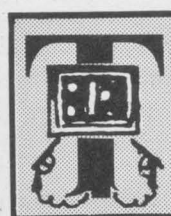
like our 'Widescreen' tv. But it will take an active role on the part of the dealer and manufacturer to help support (projection) and motivate consumers to buy."

GE plans special dealer promotions and will, in addition, strengthen its national tv advertising—which includes "Widescreen"—going heavier into both television and print. This is in conjunction with GE's "We Bring Good Things to Life" corporate ad campaign.

Next year, GE plans to introduce a "New, improved, better performing" projection tv system with "an even broader range of appeal than our current (single tube) set," according to Huck. The new unit is expected to be a 3-tube model, featuring a considerably brighter picture and broader viewing angle than the "Widescreen" now on the market.

GTE Sylvania will step into the projection field next year, noted Myrdin Jones, vice president and general manager of the Entertainment Products Group's Sales Division. "Projection is definitely part of the home entertainment center of the future," he stated.

In sum, for a product still considered light years away from mass market status, the industry seems to be determined to move ahead and exploit its potentials as it charts a path for modest but steady growth.



V Games

Variety to trigger strong second half, see stable pricing

Producers predict strong video game sales in 1980's second half, as consumers opt for more and varied forms of value-packed home entertainment.

Nevertheless, projected unit sales of microprocessor-based programmable models for the full year should show little change from 1979's 600,000. Renewed interest is expected in dedicated chip ball-and-paddle games. Their low pricing is making them an attractive alternative to hand-held electronic games, whose prices continue to inch upward. Ball-and-paddle video games, however, remain a shrinking market.

Stepped-up advertising over the past year or two has expanded the video game business, and what will probably be the heaviest national campaigns to date are planned for the important second half. Expected to be significant in raising consumer awareness are programs mounted by Mattel for its "IntelliVision" system and by GTE Sylvania on behalf of the "IntelliVision" unit the firm markets under its own label.

New software introductions will also act to stimulate the market and boost programmable sales this year.

While competition for microprocessors is recognized as a major, ongoing industry concern, most manufacturers say advance planning for this year's anticipated volume should prevent any serious shortages at the retail level.

Prices of programmable games will remain stable during the course of the year, but, stress suppliers, cost increases have dimmed the possibility—at least in 1980—of hoped-for price reductions.

MERCHANDISING

Not Hazardous To Your Head.

Cleaning a video cassette recorder is one thing, not hurting the heads is another. The new Allsop Video Cassette Cleaner completely cleans the (1) Audio Head, (2) Video Head, (3) Pinch Roller and (4) Capstan.

It saves your head because: 1. It's a healthy alternative to the abrasive continuous loop tape cleaner. Push play button to start; it stops automatically. 2. Uses a soft,

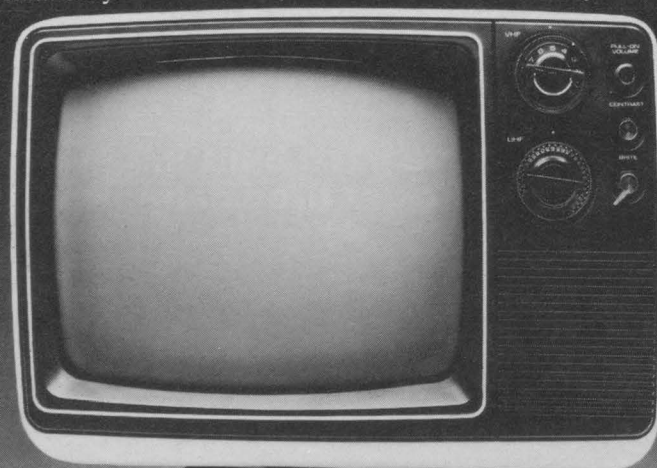
absorbent cleaning chamois to clean video and audio heads in about 4 seconds flat.

3. Uses non-abrasive felt pad to wipe pinch roller and capstan clean.

Makes you money. Retail it for \$30, a

perfect piggy-back to any VHS video recorder sale. **Saves your customers money.** They can use the original Allsop Video Cleaner forever. Cassettes should be cleaned every 30 to 50 hours of playing time and replaced after one year—with a replaceable cleaning cartridge for only \$9. And you'll be a hero.

Get a head start on your competition. Write right now for all the facts on Allsop merchandising and Co-op programs: Allsop Fidelity Accessories Division (Video) P.O. Box 23 Bellingham, WA 98225

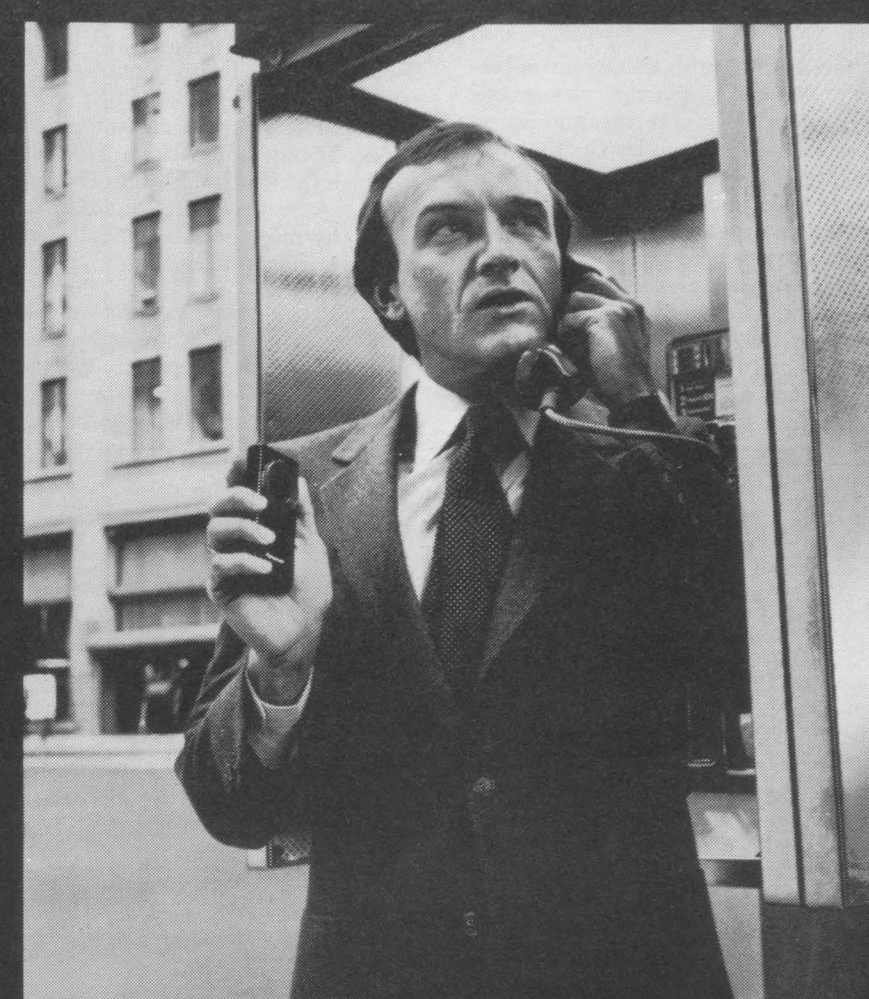


Allsop Video Cassette Cleaner



ALLSOP
WHAT WILL THEY THINK OF NEXT?

Only the Panasonic telephone answering machine can do this:



1. Tell your caller the message tape is full, so you don't lose any of your calls.

All telephone answering machines can answer the phone, up to a point. And that point is when their tape is full. When that happens and someone calls, either the machine just doesn't answer or, even worse, it tells the caller to leave a message and then doesn't record it. (Which means the caller thinks he's left you a message, but you don't have it.)

The new Panasonic Easa-Phone™ Answering System with Remote Control (KX-T1520) solves this problem. Because when its tape is full and someone calls, it automatically switches to a second prerecorded message—a message that tells the caller he isn't being recorded now, so please call back later.

And when you're away from home and you want to get your messages, the Panasonic Easa-Phone Answering System gives you full control with a 3-function remote control. And that gives you many advantages. First, the Panasonic system will answer your call and play back your messages even when the message tape is full. Most other machines won't. Then, you can either skip

2. Give you a three-function remote control, so you can find your important calls quickly.

ahead message by message, to really important calls. Or you can skip back, message by message, to repeat important calls. And, of course, you can rewind to the front of the tape.

But there are even more advantages. Instead of the usual 10- to 12-second gap between messages that other machines have, Panasonic narrows the gap to eight

seconds or less. You can also set the Panasonic to receive messages for 30 seconds or to a voice-activated mode—that records as long as there's tape. There's a Two-Party Record with "beep" tone. And for easy installation, there's a built-in modular jack that fits most phones.*

The Panasonic Easa-Phone Answering Systems are part of a line that includes speaker phones (KX-T1015 shown) and automatic dialers (KX-T1225 shown). This year, it's a line that's going to be very, very busy.

*It may be necessary for the phone company to install a modular jack. All models are registered with the FCC. Cabinetry is simulated wood.

Panasonic
just slightly ahead of our time.



KX-T1520



Overviews

Programmable game sales are anticipated to be little affected by the hand-held electronic game market—because the wide price differential eliminates it as serious video game competition, according to most manufacturers.

Atari's Bill Grubb, electronic entertainment division vice president of marketing and sales, expects video game sales to "increase substantially over last year. With consumers staying home more because of higher gas prices, the demand for tv games will rise," he said.

"Like everyone else, we're concerned about the effects of the recession," noted Grubb, "but we've been in a backorder situation since last September and had a tremendous amount of sell-through in the first quarter—more

than we ever hoped for. We expect that demand to continue right through Christmas."

This month, Atari is introducing four cartridges for its programmable system—"Soccer," "Checkers," "Maze Craze" (cops and robbers), and "Dodge 'Em" (car race). In all, the firm now offers 42 different games.

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immediately after Labor Day.

Discussing microprocessor availability, Grubb stated that Atari, which designs all its own chips, foresees no problems during the balance of the year. "We're in a strong position with suppliers to whom we job out our chip manufacturing. Putting it simply, if you're a big customer, you'll get preference," he pointed out.

While Atari boosted prices in both January and April of this year, the company is, "despite inflation, guaranteeing to hold the line on prices through 1980."

As for any chance of a price cut on video games, said Grubb: "Everything that goes into their manufacture has gone up in price—chips, plastic, transportation, labor. There's just no way to have any type of price reduction."



Model FCT-200: fully compatible with Touch Tone and rotary dial systems.

At last. A portable cordless extension phone worthy of our name.

Portable cordless extension phones aren't new, but one that performs like a piece of precision communications equipment coupled with attractive styling... **that is new.**

And that's Fanon/Courier's **COURIERPHONE** FCT-100 and FCT-200. We predict they'll be the hottest selling personal communications products of the year.

Both are worthy of the name Fanon/Courier, a favorite for quality and reliability among dealers and electronics consumers for more than 35 years.

And both are worthy to be called "extension phones." No gimmicks. Just quality telephone performance without the inconvenience of the always-too-short "umbilical" cord.

Quality performance means extended range of up to 700 feet or more* for the FCT-200 (600 feet for the FCT-100). A duplex FM transmission reception system means you can talk and listen simultaneously—just like with any phone, with superb, noise-free, telephone quality audio.

Both models offer rechargeable long-life nickel-cadmium batteries and a "ring tone" to signal incoming calls. Both have five available channels for security's sake. (The FCT-200 also has a lockout "secure switch" to thwart unauthorized use.)

FCC and UL approval means the consumer can connect either model legally to an existing telephone outlet.

Fanon/Courier will back your marketing effort with a full co-op advertising program. So you owe it to yourself to add them to your line... before your competitors do.

For the name of your nearest distributor, contact Fanon/Courier.



Model FCT-100

*Depending on building construction and obstructions.

FANONCOURIER

a **RESDEL INDUSTRIES** subsidiary

990 S. Fair Oaks Avenue, Pasadena, CA 91105 (213) 799-9161
1075 Central Park Avenue, Ste. 310, Scarsdale, NY 10583 (914) 795-4050

Magnavox's Ken Ingram, senior vice president, said: "We're very bullish on tv games. Based on first-quarter programmable sales, we look for a 10-20% increase over last year. Consumers are buying them—they realize it's value-packed entertainment. Video games are a hot item and a product area we can continually stimulate by adding new things."

Coming from Magnavox this month are six new Odyssey line games—"Volleyball," "Table Soccer," "Billiards," "Pachinko," "Casino Slot Machine" and "Blackout/Breakdown."

Ingram predicted stable pricing and for Magnavox, at least, sufficient chips to meet demand.

A more aggressive advertising posture will be taken this year, with heavier tv schedules in key markets.

Ingram believes that the popularity of hand-held electronic games will essentially have no effect on video games. "We're in the same zoo, but they're really two different animals. When you're talking about a \$150-\$200 item, you're in the deluxe product category."

"Personal computers don't affect video games either because they're so far at the other end of the spectrum. That's a pretty high-priced way to become a video game owner!"

At Mattel Electronics, Jeffrey Rochlis, division president, said he's also feeling upbeat about video games—"tempering that, of course, with the present economic situation."

He looks for industry sales of at least 500,000 units. "That's about equal to last year on a unit basis, but it will represent an increased dollar volume because of the higher price (\$300) of the Mattel 'IntelliVision' system," he noted.

National advertising for the Master Component (game) kicked off in May, following local campaigns in the New

"We expect demand to continue right through Christmas."

York, Chicago and Los Angeles markets. The "IntelliVision" keyboard, giving the system computer capability, will be available in July, carrying a suggested retail of \$550.

Rochlis said that Mattel should be in a firm position regarding chip availability this season. "We're the biggest customer of some of the largest semiconductor businesses in the world, and we've done a good job of long-range planning. We foresee no problem."

GTE Sylvania's Myrddin Jones, vice president and general manager of the Entertainment Products Group's Sales Division, pointed out, however, that "with everyone going to smart phones, smart computers, microprocessor tv tuning, and other products requiring chips, there will be a tremendous strain on the whole microprocessor industry for the next five years. The pressure is not going to go away in the foreseeable future."

"IntelliVision" by Sylvania (Master Component) was recently introduced on a national basis, and the firm plans a fourth-quarter rollout of the keyboard add-on. Pricing is identical to Mattel's.

As for the ball-and-paddle type of tv game, Coleco's president Arnold Greenberg sees that market "strengthening somewhat due to a lack of competition and the absence of dumping. Low-end video is less expensive (under \$20) than the average hand-held electronic game and has excellent play value," he said.

MERCHANDISING



FOR THE NEXT 119 YEARS, YOU WON'T HAVE TO WEAR A WATCH OR FLIP A CALENDAR.

It's nice to know that Toshiba's new LC-840WA calculator can supply the day, date and time for a lifetime.

The unit is actually programmed from 1901 to 2099. So if your customers want to find out a day of the week, they just key in the month and year, and the day will be displayed.

Yes, we've remembered to take into account varying lengths of months and leap years. And there's a 24-hr. alarm that remains visible at all times. We've even included a chime which sounds every hour, if desired.

But we've stayed slim, thin enough to fit into a pocket. The



8-digit oversized LCD is easily readable, with hours, minutes and seconds displayed together with an AM/PM indicator. The lower left shows the alarm time, along with the month and year. On the lower right, there's this month's calendar with the present day flashing.

With all these features, you might almost forget that this is a full-function calculator with independent memory.

So make every minute count and look into Toshiba's LC-840WA calculator. When? There's no time like the present.

TOSHIBA

Again, the first.
Toshiba America, Inc., 82 Totowa Rd., Wayne, NJ 07470
2900 MacArthur Blvd., Northbrook, IL 60062
875 Mahler Rd., Burlingame, CA 94010

See the entire line of Toshiba consumer calculators at Booth 2107, C.E.S.

NEWS

ble game sales are anticipated to be affected by the handheld game market—because differential eliminates it from game competition, according to manufacturers.

Grubb, electronic entertainment division vice president for marketing and sales, said game sales to "increase over last year. With confidence, the demand for television games, the demand for television," he said.

he else, we're concerned about the recession," but we've been in a recession since last September—remendous amount of the first quarter—more

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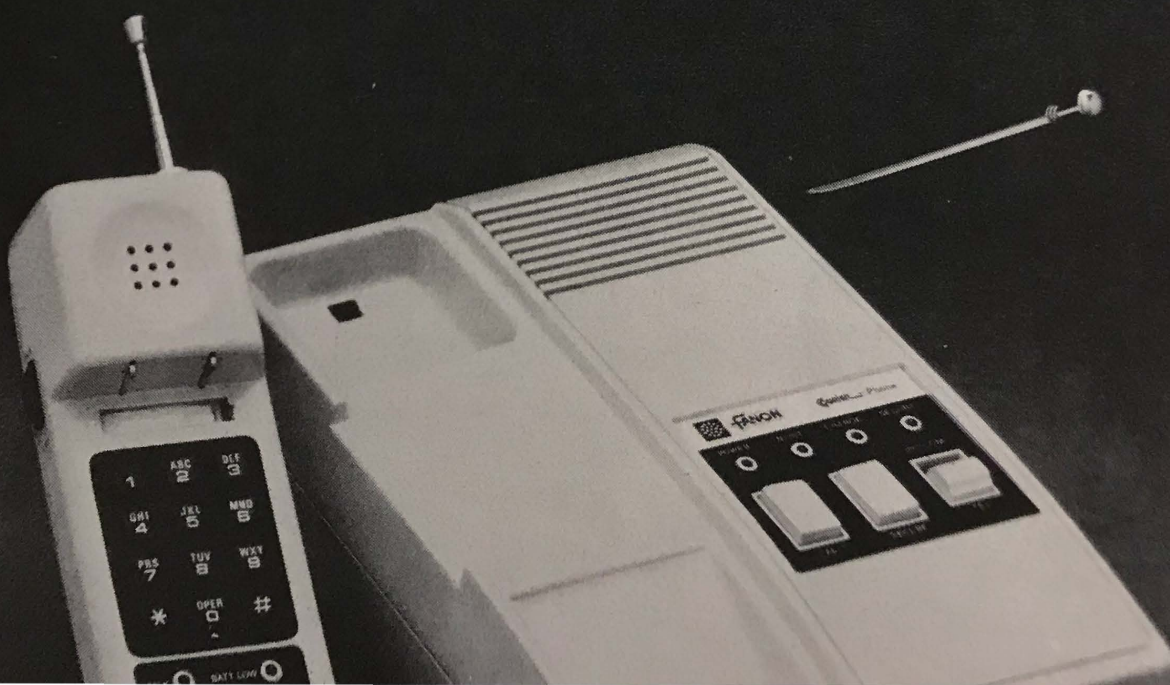
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Overviews

• Continued from page 51

mote unit in the \$300-\$350 price bracket and what it calls "Sequence One," designed for use with a switchboard, that prioritizes calls, among other data.

Anticipating sales gains comparable to those experienced a year ago, Code-A-Phone is also beefing up its promotional efforts.

Mike Olmstead, advertising manager, said, "We're using a significantly greater number of magazines, and the amount of money we're spending is at least equal to that of last year. We envision no slowdown in any direction." Larry Kloman, vice president-sales for Phone-Mate, looks for the momentum of a strong year-ago performance to continue for phone answers in general and his firm in particular.

He noted that 1979 was "the largest in the company's history," and was followed by a "terrific first quarter."

He said the industry continues to show a rather consistent—if not explosive—growth, 15-20% per year.

Product improvement is another plus, said Kloman, alluding to the microprocessor technology incorporated in his firm's products. Included are two new items being introduced this year. One is a low-end unit using a two-tape system—for incoming and outgoing messages—for the first time, at a \$100 retail; the other model will add remote at \$179, with delivery scheduled for this fall.

He said remote sales account for "practically 50% of the business." The new unit will be the fourth, and lowest priced, in its remote series.

Kloman sees audio dealers becoming a larger retail factor in the phone

"We're somewhat recession proof... no one wants to miss a call."

answerer business as they "look to other categories for revenue and profit."

Phone-Mate, "because we enjoyed such a nice year last year," has some "pretty aggressive campaigns planned," said Kloman. There will be factory demonstrators and backup, co-op financed print and radio promotions.

A major Japanese consumer electronics firm, Sanyo, is adding units to its phone equipment, in line with the sales growth anticipated for the category.

Sanyo, unlike most of the leading producers, markets its answerers through distributors to dealer/installers. "It's not sold to mass merchandisers at all," said Dean Ruelle, national sales manager for Sanyo Marubeni, the division involved.

Ruelle, who asserted his firm does "24% of the business in the U.S.," said business has been good, "and it's going to get better." He noted good response to his firm's top-of-the-line \$479 remote model introduced in January.

Sanyo's promotional budget this year will be at least double that of last year, Ruelle said, including sales promotional allowances for its distributors.

So whether it's telephones or telephone answering devices, the outlook is for continuing, albeit modest, sales increases for the second half, as well as longer term.

In sum, industry forecasts have a pleasant-sounding ring to them. •



Heavier promos, wider assortments to push sales ahead

More aggressive promotions, coupled with improvements in styling and features, as well as broader assortments, are due to keep sales of electronic digital watches humming. And prices are expected to be more stable in the second half, suppliers reported.

Sanyo, for one, is widening its assortment, according to Morton Gerber, national sales manager for watches. It will have entries in the three major categories—lightweight, plastic sports models, the basic metal chronograph-alarm, and the dress type watch.

He feels department stores are becoming increasingly important factors in digitals.

As for prices, "there have been major drops over the past year, but it seems to be settling down," said Gerber. With more stable pricing, retailers are better able to plan ahead... "they're not afraid of big price cuts."

Added Gerber: "We're looking for a very strong second half; we're taking a very aggressive attitude towards the business."

Another firm adopting an aggressive posture is Casio, whose president John McDonald cited the progress being made by LCD units. He declared, "The under-\$69.95 watch business today is dominated by digital models. The low-end digital has become the standard timepiece for the vast majority of young adults."

McDonald went on, "Specialized markets for joggers and sports enthusiasts have become a significant portion of the overall LCD market."

Noting the trend toward multi-featured units, he said, "Calculator watches, alarm chronographs and musical alarms are becoming the most desired—and advertised—digital models."

He said the bulk of sales ranges between \$29.95 and \$49.95.

Bill Wade, general manager of Micro Display Systems, Inc., sees the alarm watch and variations

as "the biggest thing in the watch business."

"We are a semiconductor company," said Wade, describing the development of a "tune chip which allows us to merchandise various songs (up to 120 notes) such as 'Reveille'." He added, a series of watches with this feature will highlight his firm's introductions at several price points, "with the tonnage at under \$30."

Micro Display is also unveiling an "AC controller watch" which can turn on and off lights, appliances, burglar alarms, similar electrical devices remotely with the touch of a button.

In general, he said his firm's emphasis will be where the bulk of the business is, "from \$18 to \$40."

Leisurecraft executive Larry Reichenstein calls business "quite good" and adds, "we're looking for a good Christmas."

"We're very strong with the catalog showrooms, and they certainly seem to be gearing up for a heavy Christmas."

He said alarm and multi-function alarms such as chronograph alarms are doing best, starting from around \$35. Thin watches are being introduced, "and these will add a lot of excitement in the second half," he said.

He feels most retailers "saw the recession coming" and have been pretty careful in what they've been stocking.

Leisurecraft introductions include his-and-hers solar alarms with two-tone gold and silver cases—making it possible for a store to inventory one model—at around \$39; and a solar chron-alarm with dual time zone, at \$49.

Despite a "bit of turmoil" in the economy, Keith Rapp, watch marketing manager for Na-

tional Semiconductor, said sales were doing well relative to previous years. He expressed doubts about any inventory buildup, noting, "our products are selling through pretty good."

He added his firm's projections for a sales increase were "right on track so far," and he added, "we see that retailers are ordering in smaller quantities but more often; they're watching their inventories. With the cost of money at 20%, inventory is a relatively high cost item to have around."

Because of the quartz digital's "information capabilities," Rapp commented, it is expected to grow in market share from about 23% currently to over 35% over the next five years. Also, from a mix of 65% men's versus 35% women's models, it will change to about 60/40 as a result of better styling, he added.

"I really don't see much more price

erosion," he continued, citing as an example, "the \$39.95 point last year was a straight chronograph or a straight alarm; now it's a chronograph/alarm. As an evolutionary matter, we are able to put more and more into the microprocessor chip without jumping costs."

National Semiconductor is introducing thinner models achieved by bringing the display closer to the front of the case. This, along with a larger display with improved graphics, is making for better styling. New models include a more sophisticated musical watch—which plays "When the Saints Go Marching In"—with multiplexing which drives more digits (in this case 10) at \$47.95; a "Pacesetter" model for joggers that also has a programmable mode for a metronome time sequence up to 150 beats a minute and permits timing parts of a lap, at \$74.95; and a plastic-cased chronograph/alarm at \$29.95.

National Semiconductor is also making its debut into the analog quartz area with 20 SKUs at retail ranging from \$44.95 to \$89.95, in a move toward becoming a full-line electronic watch supplier, Rapp stated.

The company's major marketing thrust will be through mass merchandisers, catalog showrooms and drug chains. The company, he added, is "quadrupling" its advertising this year, in both radio and television.

The digital watch business is "still a viable one and holding its own," observed Dave Ellis, sales manager of the Citizen Watch Co.

"I think the economy is having some impact," he said, but added, "we're looking for a sizable increase." Although he expects weakness in some areas, "multi-functions will continue to do well."

"We're finding that from \$85 to around \$200 is still a pretty dominating factor in the business. That's our class of product," he said. "About 80% of our sales are in that price range."

Citizen is introducing an analog digital that also includes a stopwatch function as well as an alarm "for somewhere around \$225-\$250." In addition to the more sophisticated features, Ellis noted another trend. "Thin is in."

He said his firm's distribution emphasis will continue to be on jewelry stores and the jewelry departments of department stores. He added that Citizen's promotion budget is "almost double" this year.

"We're all faced with the economic situation," he declared, "but we still feel if the quality is right, and the advertising good, product can be sold." •



Novelty, play-value still key to growth; national ad plans up

Hand-held electronic games will continue to zoom this year with some manufacturers projecting a 50% increase in dollar value to \$650-\$700 million in industry shipments. The novelty of electronic games and their inherent play-value are major reasons contributing to the rapid growth of the category.

But while the general feeling is bullish, some producers warn that, given

"Midland is the classy light heavyweight. We're coming out slugging for your business in 1980!"

Pat O'Sullivan

—Patrick E. O'Sullivan,
President
Midland International Corporation



You know where we stand—somewhere between the lightweights and the heavyweights. Larger than the unknowns. Not quite as big as the giants.

Have we got class? Well, look at the way we slugged our way to the top of the CB field in its crowded heyday.

And take a look at who's left in CB. Midland and darned few others. We're not only still in CB. Today we have an expanded line.

Now, without further chitchat, let me get straight to the hard-core reasons why Midland deserves a long, hard look from you in 1980.

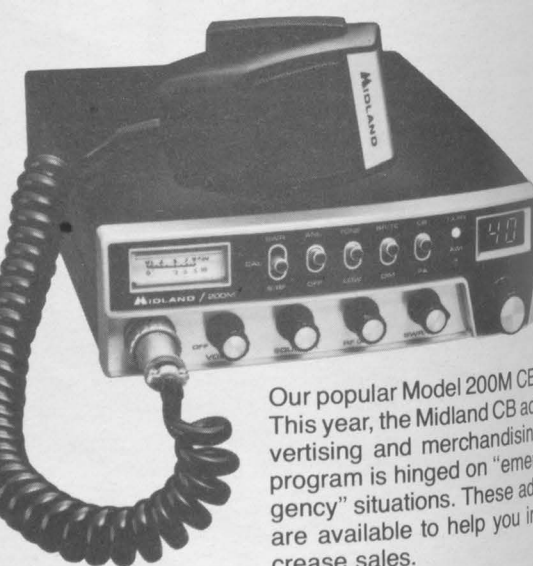
Here are 7 good reasons why you're going to like us this year!

1. Our quality control standards are stern and unyielding!

That's true! Our products are manufactured to our precise design standards. And we never give a millimeter on specifications. Careful inspections are made off the line and upon arrival. This is vital to us. Because offering you uncompromising quality is the only way we can make sure you can't get along without us!

2. We deliver!

In our business you work long and hard to offer the kind of service you expect yourself from your own suppliers. Then a merchant says something that makes it all seem worthwhile: "You guys really deliver!" Everybody talks about good service. We deliver it. But that's enough talk. Give us a try. Let us prove that to you.



Our popular Model 200M CB. This year, the Midland CB advertising and merchandising program is hinged on "emergency" situations. These ads are available to help you increase sales.

3. We have products for the important price points where volume business is done!

Backing up that promise is easy. We have the products to do it. Midland offers you good values, priced to move off your shelves and onto your profit sheet.

We cover the important price points in CAR STEREO CB

and we have popular models in WEATHER STATION™ receivers

4. New products are a transfusion we give ourselves!

The reason we do is to insure our longevity in this business. Actually, our success is dependent not only on exploring new technologies, but studying new markets in our ever-changing society. That is what our researchers and engineers do, continually.



Typical of Midland's sell-through point-of-sale support is this newly-designed 13-909 Weather Station™ package. We give you a header card and hang tag, but the package itself is literally a "point-of-purchase piece you can shelve or stack!"

5. Only one rep from Midland will call on you!

In the past, we probably had some redundancy in our sales coverage of your account. But, no longer. Now I can promise you—no more overkill! You'll deal with only one Midland representative. And he'll be able to show you everything in our line.

6. Our warranty is unusual and truly outstanding!

Very few firms dare to offer an over-the-counter warranty on consumer products. We do. Because we think it pays off for you. And it's the final proof of our complete confidence in Midland quality. Also, for the benefit of you and your customers, we provide nationwide service through 1500 authorized Midland service stations.



Just as in CB, Midland is committed to staying in car stereo with a complete line long after the also-rans have dropped out. This is our mini-chassis, high-power, fully automatic stop 67-460 cassette player with AM/FM/FM-Stereo receiver.

7. We are going to offer advantageous terms, too!

Investigate the specifics of this program. Especially in today's volatile financial period, we believe you are going to find them extremely interesting.

Any questions? Anything I can clear up?

Do you want to know more? Or are you simply curious about some aspect of Midland's 1980 products and program? Call 816/241-8500. We'll be happy to level with you, as I have in this ad. Thanks for hearing me out. You can write if you like: Midland International Corporation, P.O. Box 1903, Kansas City, Missouri 64141.



New for 1980. Midland 2-Way FM radios for business communications. A tested and proven line that Midland has sold in international markets, now available domestically.

MIDLAND®
THE CLASSY
LIGHT HEAVYWEIGHT.
(Stronger than the little guys...
livelier than the giants!)

A member of the Beneficial Corporation Family.

Overviews

the state of the nation's economy, higher price points could impede unit sales. They cite the number of higher priced units introduced in February.

The recession has also caused wholesalers and retailers to be exceedingly selective in their game buys this year, and it is anticipated that consumers, too, will adhere to a similar policy. Although the industry introduced a record number of hand-helds this year, it is expected that only a few games will account for the bulk of the volume.

These, manufacturers say, will probably be the same units that proved strongest in 1979: i.e., games from major suppliers like Milton Bradley, Parker Brothers, Mattel and Coleco. Most knock-offs are anticipated to fail again to charm the nation's consumers, causing the current shakeout of smaller companies to intensify.

Although chip shortages remain a significant factor affecting the games market, several producers say they have expanded their microprocessor suppliers this year in an effort to insure that demand is met.

They indicate, however, that shortages are still likely to occur on certain key items. There is the possibility, too, of a scramble during the second half by some manufacturers who ordered chips over-cautiously at the beginning of the year.

Plans call for an increase in national advertising by major producers, who believe that a soft economy is no time for cutbacks in this area.

"I think there will be a great deal of selectivity on the part of the consumer this year, and that only a small percentage of the over 400 games on the market will fare very well," noted Milton Bradley's George

"There will be a great deal of selectivity on the part of the consumer this year."

Ditomassi, senior vice president of marketing. "Certainly, with that number some will have to fall by the wayside, even if we weren't in a recession. People just don't want to take a chance with fringe items."

This year, Milton Bradley introduced six new electronic products, including "Milton," a voice synthesized game; "Pocket Simon," a lower priced version of the big-selling "Simon"; and "Super Simon," which takes "Simon" about "five steps upward," according to Ditomassi.

The firm, which is strengthening its advertising this year over 1979, has broadened its microprocessor sources after having "suffered" from previous chip shortages, Ditomassi said. "We're doing business with a number of microprocessor manufacturers, whereas in the past a good deal of our sourcing was from only a few producers."

Jeffrey Rochlis, president of Mattel Electronics, looks for close to 30 million games to be sold in 1980. "The economy won't affect this area very much. They're not \$1,000 purchases, so there won't be any consumer resistance. Games that offer good price value are selling as fast as manufacturers can ship them," he asserted.

Predicting a further market shakeout, Rochlis said: "It's not enough to knock off a product. To be a success

in this business, you have to do a number of things—offer a quality product from a quality company; be a reliable, on-time shipper; provide the retailer with the necessary in-store merchandising and point-of-purchase display to nourish and consummate the sale; and support the product with broad-based advertising to motivate people to come into the store."

Mattel's 1980 ad budget for hand-held electronic games is in excess of \$10 million, "several million" over 1979.

At Coleco, president Arnold Greenberg sees the "continuing popularity of last year's biggest sellers accounting for the increase in dollar sales this year," which should reach \$650-\$700 million industrywide.

Greenberg said prices should hold this year, but he called the fact that many introductory prices are somewhat higher than in 1979 "cause for concern. I think there's considerable risk that the higher the price goes, the fewer the unit sales."

Coleco this year is extending its hand-held line to include "Head-to-Head Soccer" and "Head-to-Head Baseball."

On chip availability, Greenberg feels "supply lines may open a bit because of the recession, but there's a worldwide demand for microprocessors. Although capacity is expanding, it can't yet keep pace with demand."

Parker Brothers' director of product planning, Dick Dilessio, agreed with Greenberg on the

subject of pricing. "There are items that will be priced at \$70-\$100 retail, and I think these are high points to be testing, particularly in a shaky economy. Several manufacturers have brought prices up substantially. I believe there's a danger in that."

Further, added Dilessio, "retailers, concerned about the economy, are keeping inventory levels at a minimum."

The executive pointed out, though, that "the major manufacturers will continue to enjoy a good strong year because of their proven sales records."

Parker Brothers has debuted a companion product to its highly successful "Merlin" called "Split Second," in addition to "Bank Shot," a hand-held version of pool. The firm, a year-round advertiser, will expand its schedule in the second half of 1980 versus 1979.

"Delivery won't be a problem this year," said Dilessio, referring to chip

availability, "because the toy industry has matured a bit in terms of its relationship with IC manufacturers. People have become acquainted with the lead time required, and the semiconductor companies are becoming more sensitive to our very short time schedule and target dates."

At Ideal Toy, Carl Eisenberg, director of product development-game division, said that improvement in manufacturing and quality control procedures have lessened the likelihood of severe chip shortages this year. "We have our problems more or less resolved and are making deliveries on time," he commented.

Ideal, which manufacturers "Maniac," among other electronic table games, looks for a strong market in electronic items this year. "It's a growth area, and the products have entrenched themselves as staples."

Lou Goebel, vice president-sales for Selchow & Richter, anticipates "a flat year for the industry in electronic games unless a new item proves to be a runaway best seller. Buyers are approaching the category with a great deal of caution and selectivity, so that product which will appear on the shelves will be the cream of what manufacturers presented at the Toy Fair. Out of this, only 30% will make it and 70% will just fall by the wayside."

The firm has beefed up its advertising expenditures for this year's second half, with greater frequency in both network tv and print.

Atari's Bill Grubb, vice president-marketing and sales for the electronic entertainment division, also sees last year's most popular units as the top sellers in 1980.

Grubb said that delivery of its new hand-held "Space Invaders" game, introduced at the Toy Fair, has been

pushed back to January or February, 1981. The firm is currently marketing "Touch Me" in the non-video game area.



Improved product, steadier prices add up to more growth

Stabilized pricing, more sophisticated product, a growing replacement market and an element of recession-proof demand all add up to a healthy calculator year.

"I think calculators are going to do well for the year," said Sy Lipper, president of APF Electronics.

He even raised the question of possible shortages as a result of a potential scarcity of LSI chips. He noted that semiconductor producers are also being pressed for chips for computers, automobiles and other products using microprocessors, as well as calculators.

Said Lipper: "Calculators have become a good bread-and-butter business. They haven't been going through the gyrations and fluctuations that we had in the past."

He observed that since "there isn't much you can do with the functions," the trend is toward improved styling and the addition of features such as game elements, clock combinations and translators.

A similar optimistic view was expressed by John McDonald, president of Casio: "All of our high-end, distinctively featured machines have been on backorder since introduction, even though the levels imported each month are constantly increasing."

At the same time, he felt calculator sales in general are not being affected by any slowdown, since the product is relatively low priced and viewed by consumers as a "good value for the money."

He said Casio's sales have been running substantially ahead of 1979.

"The bulk of our sales are to repeat buyers who want additional functions and features such as time, stopwatch, music or a printer with tape as their next calculator."

Agreeing with this assessment of the industry is Panasonic's Consumer Electronics Division, which entered the calculator market last August—after another division had previously dropped out.

Panasonic is expanding its assortment to a 12-unit line with eight new models. They range from an LCD leader at \$10.95 to a 12-digit AC print/display desktop at \$119.95.

The broadened line, which includes downward adjustments on the carry-over models, covers the "basic price points," said Tom Nugent, national sales manager of portable data systems.

Aside from the sales expansion anticipated by his firm—being "new" to the field—Nugent sees continued growth for industry sales, despite the weakening economy. He said improved features were a propelling factor. He also cited printers as being a particularly good growth area.

Broadening its calculator line is Sanyo Electric. Morton Gerber, calculator national sales manager, said the 12 new models, priced from \$10-\$120, would feature a new type of amorphous solar cell, previously shown in prototype.

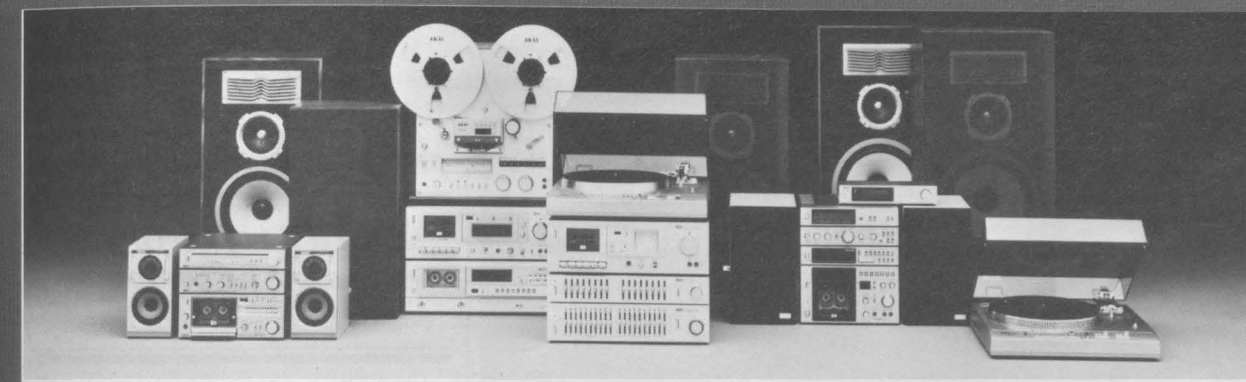
He predicts continuing sales improvement, notably in such areas as calculator/clock combinations, the scientifics, and especially the new printers, "where there is a lot of technology."

Another newcomer to the market—as part of what its general manager, Bill Wade, calls "a major commitment" to the consumer products business—is Micro Displays Systems, Inc.

In addition to its digital watches and a recently introduced microprocessor-controlled thermostat, the firm is coming out with a 10-model calculator line.

Wade said the line will incorporate technology from its small business computers. "Retailers will range from \$10-\$50, concentrated in high-level sci-

AKAI PROUDLY ANNOUNCES A REDUCTION IN QUALITY.



AKAI for 1980 isn't all mini-minded. We've also got terrific standard-sized open reel and cassette decks, turntables and more.

Introducing AKAI Mini-Components. The newest additions to one of the biggest audio lines in the industry.

Mini's are bound to be big news this year. Lightweight, fashionable, compact. Our new UC-5 series at left, for instance, measures an incredibly space-saving 10 7/8 inches wide.

What's it include? A DC pre-amp, DC power amp (35 power-packed watts), a handsome digital display tuner with LED signal strength and tuning

indicators and a metal-capable cassette deck with 2-color fluorescent bar meters. Two-way bookshelf speakers complete the package.

And AKAI just happens to have the one feature no one else has. Our name.

Which means that every single mini-component you sell comes with the same great AKAI quality and reputation you've sold for years.

So much for the little news. There's some big news, too.

AKAI's standard-sized offering for 1980 is equally impressive.

We're introducing two brand-new, quick-reverse,

bi-directional cassette decks. Both with metal capability.

A new 10" open reel direct-drive deck with a big, bright real-time digital display. A first for AKAI.

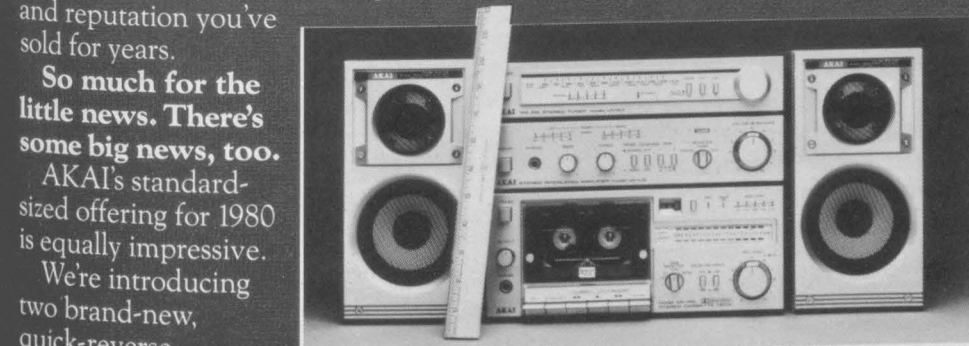
Two new turntables. One a direct-drive, fully automatic beauty and the other a direct-drive, fully automatic with quartz lock.

Three new loudspeakers. One 2-way, two 3-way. All designed to move, with contemporary see-thru grill styling, high frequency acoustic lens configurations and die cast speaker baskets.

And two new graphic equalizers. One 8-band and one 10-band, both with LED frequency indicators.

All in all, a pretty hefty offering that shows your customer AKAI successfully thinks big.

As well as small. For much more information on what's sure to be our hottest-selling line ever, write AKAI, P.O. Box 6010, 2139 E. Del Amo Boulevard, Compton, California 90224.



Equally downsized is our economy-minded UC-2 series, including an integrated amp and a very attractive price tag.

AKAI

YOU NEVER HEARD IT SO GOOD

Stop by and see us at Booth 710 at CES.

Overviews

entifies which utilize microprocessor technology."

At Canon, the replacement market is regarded as a growth area. A spokesman pointed out that "nine out of 10 families have a calculator. A calculator has a life of roughly three or three-and-a-half years, depending on use, and with prices so low today—\$30-\$35—they might go out and get a replacement, which is accounting for a good number of sales."

Its two hand-held printers introduced in January have been moving well, he said.

To fill in some of the gaps in its consumer line, Canon is introducing five calculators in the mid-price area, including a scientific, at prices ranging from \$19.95-\$44.95.

Personal Computers

Producers adding sophistication for small businesses

The personal computer still has a long way to go to make it in the home environment, although it's now finding its way into more and more small business and personal/professional applications.

In most cases, personal computer makers are trading up to more elaborate, more sophisticated and therefore higher priced systems.

There's still some sorting out being done by computer vendors—even among those who have been at it a while—in terms of re-evaluating marketing strategies and distribution policies and plans.

Radio Shack, which believes it has anywhere from 30% to 50% of the small computer market in less than three years in the business, is definitely integrating upwards in hardware and software.

A year ago, when it introduced its TRS-80 Model II system, sales to that point of its continuing Model I had already totaled

over 100,000 units and the contribution to Radio Shack's dollar volume from computer systems topped \$100 million.

RS has since enhanced the Model I with several new programs and is well on its way toward a Model III. "Our range in cost now runs from \$499 to nearly \$10,000 per system, and that's right where we want to be and where the market wants us and needs us," says Lewis Kornfeld, RS president.

Kornfeld expects to expand distribution as well as product. "The stand-alone computer center," he says, "with 50 units in our largest markets, is one of our programs, but I think we'll eventually go well beyond the 'Top 50' metro areas because the need is there and the company can afford these locations."

Apple Computer has moved to strengthen its marketing organization by terminating its four regional distributors and purchasing a fifth distributorship—Compushop, which also operates several computer specialty stores. The move to regional warehousing and field sales offices is designed to give Apple better control of its distribution and marketing, particularly as it moves up in product complexity.

Apple last month introduced the Apple III, a fully integrated system

Still a lot of sorting out being done by computer vendors.

with built-in disk drive, up to 12K bytes of memory, color video, and able to accommodate a wide range of peripheral devices.

While Apple still calls its II an "entry level" personal computer at \$1,195, the III is priced from \$4,340 to \$7,800. Says Steven Jobs, vice president of marketing, "We have made a conscious decision to extend the excellent entry-level capabilities of the Apple II upward, rather than downward. We feel this approach (of giving more capability, not less) will maintain our leadership in the marketplace."

Hewlett-Packard's highly touted HP-85, at \$3,250, is still a bit stiffly priced for most "personal" uses, and it's being sold primarily through business machine dealers.

Commodore, which sent much of its production overseas, has set up a new sales division with regional distributors, some of which it owns, and changed its name to simply CBM (Commodore Business Machines).

CBM's lower-end products aimed at the hobbyist market will continue to carry the PET label, but most of the company's efforts will now be aimed at the small business market.

Texas Instruments and Atari products are more in line with the consumer market, but both recently boosted prices on their systems.

TI "unbundled" its 99/4 computer system, introduced last June, at \$1,150. TI now offers the console and video monitor separately, at a combined price of \$1,400, or \$250 more at retail.

Atari hiked the price of its 400 and 800 models from \$550 to \$630 and \$1,000 to \$1,080, respectively.

Mattel Electronics will soon be on the market with its Intellivision home computer at about \$850 without software. Additional entrants can be expected.

Nippon Electric Co. and Casio demonstrated hardware in Anaheim, CA, at the recent National Computer Conference, but both are still undecided about U.S. marketing.

Fuji delivers.



When it comes to metal, no one delivers like Fuji. In performance. And product.

To help you build more traffic, move more hardware and sell more tape, we've got Fuji Metal. Delivering *proven* performance you've got to hear to believe.

And we're delivering *now*, in *every* length, especially C-90's. Because we're first to solve the problems of jamming and shedding. As well as first in quality.

We have a great product and we know it. Now, we want you to know it, too.

Visit us and we'll take you through our entire audiocassette line. Show you how we've changed. Prove to you how easy and profitable your life as a Fuji dealer will be.

Because now, no one delivers like Fuji.

FUJI TAPE

One brand fits all. Better.

Magnetic Tape Division, Fuji Photo Film U.S.A., Inc.
350 Fifth Avenue, New York, New York 10001 (212) 736-3335

Visit us at CES
Booth No. 712.



WE GIVE YOU MORE THAN BIG TITLES. WE GIVE YOU BIG PROFITS.

At Magnetic Video, we offer some pretty big titles on videotape. Like NORMA RAE, BREAKING AWAY and THE MUPPET MOVIE. But big titles don't mean a thing if they don't bring you profits. That's why (unlike some other folks), we've set up some excellent profit margins for all levels of distribution. So when you make a sale, you also make a few bucks.

OTHER GREAT NEW TITLES

We continuously add to our videotape catalog making available some of the best titles in the business. In the past few months we've released SILVER STREAK, THE OMEN, THE PRODUCERS, MURDER BY DECREE, SLEUTH, and other favorites.

FIRST GOLDEN

VIDEOCASSETTE AWARD WINNERS

In March, 1980, the International Tape Association presented Golden Videocassette Awards to each of four

Magnetic Video titles: M*A*S*H, PATTON, THE SOUND OF MUSIC and THE FRENCH CONNECTION. This special recognition was earned by each title having sold more than \$1,000,000 in audited sales. These are the first million dollar sellers in our industry.

PROMOTIONAL SUPPORT

Magnetic Video has the most aggressive advertising program in the industry. We promote our new releases as well as our complete catalog. In addition, we offer our dealers a co-op advertising fund, ad slicks and free point-of-purchase material.

Our dealers are very important to us. If we look like the kind of company you'd like to do business with, give us a call. We'll show you how our big titles can bring you big profits. Call (313) 476-2250 and ask for Ms. Terri Lobdell.

Magnetic Video
A Twentieth Century-Fox Company

Prerecorded Videocassette Report

Atari cites Activision in damage suit, claims trademark infringement

SUNNYVALE, CA—Atari, Inc., a subsidiary of Warner Communications Inc., has filed a \$20 million damage suit in San Francisco federal court against Activision, Inc. and four of its principals.

The suit, which seeks injunctive relief in addition to damages, charges Activision and Alan Miller, Larry Kaplan, David Crane and Robert Whitehead with trademark infringement, unfair competition and a conspiracy

to appropriate Atari's trade secrets.

The individuals sued are former employees of Atari, responsible for creating the software which is sold for use in Atari's Video Computer Systems. According to the complaint, the former employees left Atari after conspiring to take confidential trade secrets which they have used to create game cartridges for use with Atari video computers.

One of the four Activision games an-

nounced for use in Atari's Video Computer System is entitled "Drag Race," a name which Atari alleges infringes its federal and California trademark rights to "DragRace."

Activision reply

Activision president James H. Levy said he was "surprised" at the filing of the Atari suit.

"All I can say is that we are very mystified by the action," Levy said. "We cannot understand why they went to all of this trouble. We extended a written offer to Atari officials three months ago to open our books and records to independent expert analysis so that any suspicions they may have with regard to our possible use of their trade secrets could be allayed. Atari did not respond to our offer."

Levy said that all of the charges filed in the lawsuit are "false and unsubstantiated" and that Activision will continue with its program to pro-

VTN expands college rental program to over 700 campuses

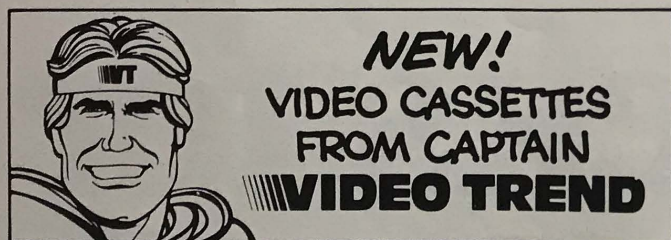
NEW YORK—Video Tape Network is now supplying more than 700 colleges and universities throughout the country with prerecorded programs, an increase of more than 50 campuses over the 648 of last year.

"The steady growth of the college program rental market has become a major force in the entertainment field with more than 50% of the student body watching prerecorded programs on closed-circuit campus television," says John Friede, president of VTN.

VTN has been selling prerecorded programming to colleges and universities under the slogan, "Television That Won't Rot Your Mind," since its inception in 1969.

More than 200 VTN programs now play weekly on campuses throughout the country.

duce and market new video game cartridges while the matter is being resolved in the courts.



HAVING JUST RETURNED FROM A VISIT TO TAPE CITY, OUR HERO FINDS REDDYCASSETTE—STUPENDOUS STOCK PERSON EXTRAORDINAIRE—WITH A PROBLEM!

WHAT'S WRONG REDDY?

OH CAPTAIN, I HAVE SO MANY NEW TITLES FROM
Ⓜ MAGNETIC VIDEO, JUST LOOK AT THAT STACK!

DON'T FRET REDDY—WHEN OUR FRIENDS SEE WHAT WE'VE GOT FOR THEM, THEY'LL GO FAST—

ALIEN, THE BOYS FROM BRAZIL, THE MUPPET MOVIE, NORMA RAE, BREAKING AWAY,

LOOK AT THESE WINNERS!

THE HEARTBREAK KID, SLEUTH, SILVER STREAK

AND MORE!

M·A·S·H, YELLO DOLLY, THE FRE... CONNECTION, CAR... WLEDGE, TO... A! TORAI,

Merchandising's TOP 50

	Last month's position	Months on chart
1. "10"	N	1
2. Superman	1	4
3. Grease	3	3
4. Blazing Saddles	4	3
5. The Godfather	2	11
6. M*A*S*H	8	20
7. Saturday Night Fever	5	11
8. Enter the Dragon	6	2
9. The Godfather II	7	8
10. Halloween	N	1
11. Patton	17	20
12. Sound of Music	13	16
13. Butch Cassidy & the Sundance Kid	14	8
14. Dirty Harry	9	3
15. All the President's Men	12	3
16. Heaven Can Wait	10	3
17. Oh God!	11	2
18. Silver Streak	19	3
19. ...unch	N	1
20. ...uate	16	3
21. ...aws	18	3
22. ...y	27	2
23. ...rie	31	1
24. ...igh	N	1
25. ...ba	30	1
26. ...we	N	1
27. ...he	N	1
28. ...De	N	1

the TI-5218, and the top-of-the-line TI-5219 printer/display with memory \$205.
Texas Instruments, Inc., P.O. Box 10508, M/S 5889, M, Lubbock, TX 79408.

Microsoft's **BASIC** compiler for **TRS-80**


BELLEVUE, WA—Microsoft Consumer Products is presenting the BASIC Compiler for Radio Shack's TRS-80 computer, a tool for BASIC programming that increases program execution an average of 3-10 times.

It compiles programs written with the TRS-80 Disk BASIC interpreter, producing Z-80 machine code that is directly executed by the TRS-80. The compiler has new programming features including full PRINT USING for formatted output, extensive disk file capability, WHILE/WEND conditionals, variable names up to 40 characters, and a CALL statement to assembly language or FORTRAN subroutines.

The package includes two diskettes containing the BASIC Compiler, BASIC runtime library and LINK-80 linking loaders, instruction manual, and reference manual for Microsoft 5.0 BASIC. Suggested retail price is \$195.

Microsoft Consumer Products, 10800 Northeast Eighth, Suite 507, M, Bellevue, WA 98004.

JUNE, 1980



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ducts Co., 9 W.
e, NY 10019.

The... are topped by
the 1909, with a suggested retail of
\$679.95, which features 16-pushbutton
electronic tuning, automatic color
control, VIR circuitry, wood cabinet,
and 22-button random access remote
control.

Other 19-in. entries include the 1907
(\$609.95), with 16-position pushbutton
tuning, VIR circuitry and 6-position
remote control; the 1906 (\$589.95), 12-
position electronic tuning and 6-posi-
tion remote control.

*Hitachi Sales Corp. of America, 401
W. Artesia Blvd., M, Compton, CA
90220.*

Activision introduces four game cartridges

SUNNYVALE, CA—Activision,
Inc., is offering the first four entries in
its line of video game cartridges for use
in the Atari Video Computer System
programmable video game.

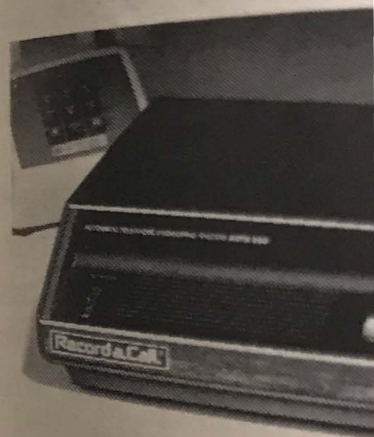
Drag Race, Boxing, Checkers and
Fishing Derby will work with either
the Atari system or Sears Tele-Game
Video Arcade, built for Sears by Atari.

The cartridges carry a suggested re-
tail price of \$21.95.

*Activision, Inc., 759 E. Evelyn Ave.,
M, Sunnyvale, CA 94086.* →

MERCHANDISING

Inno
T.A.D. AVANTI



AUTO 60A

Merchandising Week

AGRALLA PUBLICATION

JULY 1980

Merchandising

N INDUSTRY WITH MORE THAN TODAY ON ITS MIND



Values

Aaron Neretin
Editorially Speaking



Says erosion of recession-troubled smaller retailers threatens total distribution network

Has it become too costly for the small and middle-sized retailer to remain in business?

Over the past few months, the news from these retailers has been very disconcerting. Many have told us that the cost of keeping appliances or electronics on their floors has more than doubled in the past two years. All the floor planning and financing from suppliers that was available to these retailers has now dried up. The cost of money has made local banks turn away from them and many of these dealers—quite a few of them old-timers—are looking for someone to take over their leases or have just decided to close up shop.

WARNING! WARNING! WARNING!

The report we've written above does not represent an isolated situation. We normally try to adopt a positive attitude—look for the silver lining—even in the worst of times. But we also cannot remember a time in the past 30 years when we've heard or seen so much downheartedness among the retailing fraternity. These aren't the usual retail gripes, they are a depressingly real summation of frustration and hopelessness that's a little frightening.

We are witnessing a serious erosion of retail names from the distribution network. And it would now be a good guess that it's going to get worse before it gets better. Besides the very problem of losing retailers, we have the other problem of not having new replacements when

the economy turns around. If this negative pace is allowed to continue no one—not the supplier, the distributor or the retailer—stands to gain.

For one thing, all goods not owned outright by the supplier or distributor, would find their way into the hands of the larger low-profit, high-volume dealers whose use of the products as lowball leaders would only serve to knock out even more retailers who are presently sitting on the fence.

For another, the larger retailers in a given marketplace would tend to fill the vacuum left by departing brethren since it is unlikely that "fresh retail blood" would appear on the scene. This means even greater control of a marketplace by fewer retailers and a power surge reversal that could leave many smaller or middle-sized suppliers in its wake. We just don't believe that this kind of a power struggle serves anyone well—long or short term.

Currently there are some suppliers who are quietly giving or extending large amounts of credit to retailers who are deemed important to their national stability. These dealers generally tend to be those whose outward face has always been visible for their supposed success. They don't include the first and second layers of dealers who are currently in the midst of the aforementioned crisis.

The point behind this exercise is that the supplier has got to decide, very quickly, whether it is worth his while to stop the erosion before it gets past the first layer—if he really can

stop it at all. On reflection, it might even behoove the larger retailers to take a paternalistic attitude towards their smaller "competitors".

We just don't like to see these retail emotions worn down to the bare bone. And we're very concerned about what the future holds for retailing over the next two decades. The thrill just isn't there for the adventurer. The lucky ones are those whose children will carry on and who will probably chew up even larger chunks than their daddies as time goes by. The unlucky ones are those who've thrown everything they've got into the battle and whose ammunition is spent without any hopes of getting a fresh supply.

I really think our system of distribution may be at the crossroads and it's up to the key suppliers to act as traffic cops helping to direct the retail retreat until the economy puts everyone back on the right road again. If not, the alternative may even be unpalatable to us older bucks who've been around this horn once or twice before.

Since I am unhappy—and always will be—at the need to project a downer, I'm happy to cite the incredibly strong business being done by many housewares suppliers and retailers. The pattern fits the recession motif (pay cash, buy, but buy less expensive). Nevertheless, new unit as well as dollar records are being set in housewares which does say something about consumer dollar availability. Maybe the time has come to play up some of the equally efficient but lower cost electronics and appliances.

Sony, and sued.

The trial court and the U.S. Court of Appeals in New York both ruled for the dealer, calling the Sony action a violation of the Sherman Act because it "unreasonably restrained trade."

The U.S. television industry won a major victory in its fight with the Carter Administration over the proper penalties for past imports of Japanese sets sold in the U.S. at bargain prices (*Merchandising*, June, 1980).

The alliance of manufacturers and workers claims that the deal worked out by the Commerce Dept. to settle the claims may come to no more than 10 cents on the dollar, and has managed to convince the U.S. Court of Appeals in Washington to enjoin the deal until a long-pending industry suit on the issue can be heard. Even when the Administration went back to the court to ask again to be allowed to settle the claims on its own, the judges refused.

The industry racked up a success at the International Trade Commission, too, when that agency, by a 4-0 vote, advised Carter to keep in effect some curbs on imports of Asian tv sets, claiming that the 14 current U.S. producers would be hurt if the restrictions are completely wiped out.

ITC says that the production of color tv receivers provide 47,000 jobs in the States in plants owned by such foreign firms as Sony, Matsushita, Sanyo and Toshiba, as well as traditional U.S. firms.

From the Capital



FTC seeks comments on clarifying rules governing in-warranty service work

Warranties are back in the news.

The Federal Trade Commission is still trying to decide just what manufacturers who offer a full warranty can require of consumers, and has thrown open for comment a complete rewrite of the rules it first proposed in August, 1977. A major problem: How the manufacturer's warranty promises will affect the shopper's choice among competing retailers offering the same brand.

As the proposal now stands, the FTC would tell manufacturers who give a full warranty that they "may NOT require a consumer to obtain warranty service from the selling or installing dealer only."

But the staffers that drew up the language worry that it might "encourage consumers to buy from the least expensive dealer in their shopping area in the expectation that other dealers, charging higher prices for the product under warranty, will have superior service departments and will provide warranty repairs."

In such a situation, they suggest, there might even be a plus for a dealer not to provide high quality repair work, particularly if the manufacturer's payments for warranty repairs do not cover a retailer's full costs.

The Commission is openly soliciting alternative rules that would make sure that when a buyer moves to a new area he or she could get warranty work, but

that still would not stick a merchant with having to fix products sold by a discounting competitor.

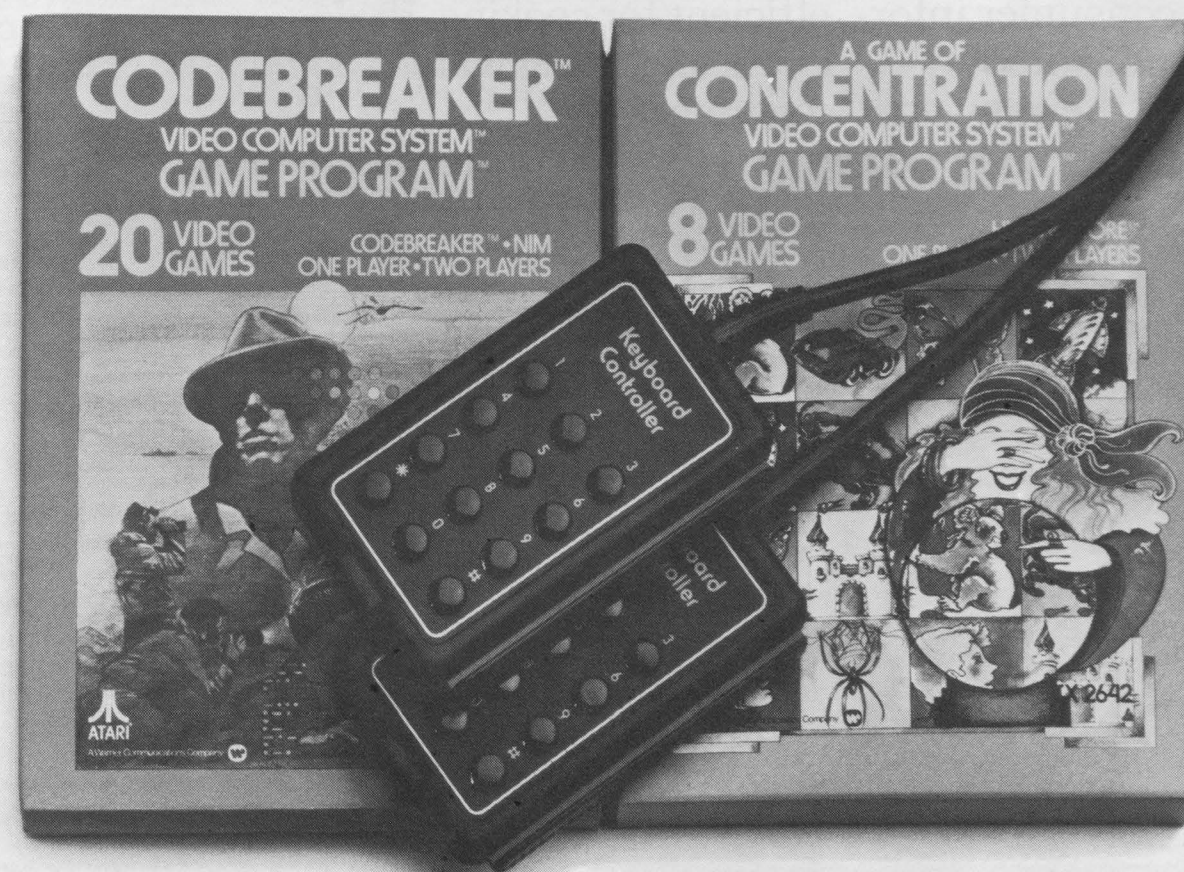
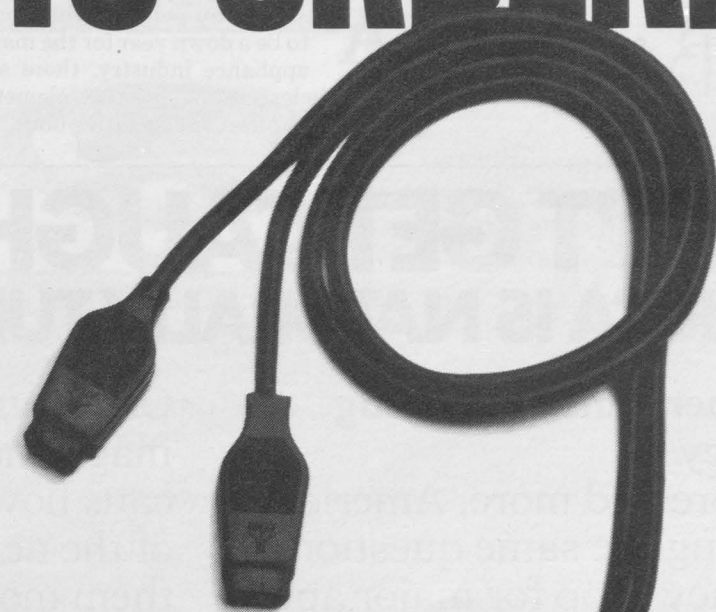
It is asking dealers to pass on their thoughts on the question before Aug. 1, sending them to James P. Greenan at the FTC, Washington 20580. Staffers ask, but do not require, that the comments be in triplicate.

But warranty terms can get a company in trouble with dealers as well as with the FTC. Sony recently lost an antitrust suit revolving around the same issue the Commission is wrestling with: What do you do about paying for repairs on a warranted product that ends up in a different territory than the one in which it was sold?

Sony used to let its dictation equipment dealers shift warranty responsibility to another dealer by paying a fee, but in 1975 changed the policy to one in which Sony kept track of serial numbers of new machines sold, and automatically debited the account of each dealer for machines he sold that turned up in other territories.

The debit was supposed to cover the cost of warranty repairs, but the charges got substantial for Atlanta Dictating & Business Equipment Co., because it was buying from Sony in wholesale lots and reselling to a Tampa outlet that had been cut off by Sony. Atlanta Dictating refused to pay the debits, was in turn dropped by

THE ATARI® FREE CONTROLLER OFFER. IT'S MADE TO ORDER.



We're packaging these cartridges with a free set of keyboard controllers worth \$19.95*.

When your customers buy Code Breaker™ and A Game of Concentration, they get the controllers absolutely free from us. It's a \$63.85* value for \$43.90.

That's an attractive offer. So we're putting it in an attractive shrink wrapped package that's easy to display. And giving you P.O.P. material to make the display easy to see.

This special promotion starts July 1 and runs through September 30, 1980.

Control yourself. There's more.

This fall, Atari will spend millions on network television advertising. And we have more promotions coming that are made to order for increasing sales.

So get your orders in now.

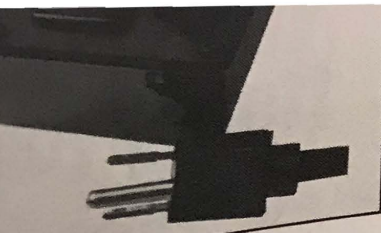
With your help, the second half of 1980 will be even bigger than the first half.

We've got it under control.



© Atari 1980. A Warner Communications Company.
*Suggested retail price. Atari reserves the right to make changes to products or programs without notice.

Atari Inc., 1265 Borregas Ave., Sunnyvale, CA 94086 (800) 538-5847 In California (800) 672-1404



EnerCon's Dr. Watt
 ELAND—EnerCon Inc. is introducing "Dr. Watt," an energy-con-
 device that cuts the power re-
 for induction motors by a
 10-60%.

gging the unit into a wall
 d then the appliance into the
 t, it measures the power
 d delivers only that amount
 tor. The motor continues op-
 ut when it doesn't need full
 e device estimates and deliv-

New tag printers March Marking

N, OH—Monarch Marking
 nc., a subsidiary of Pitney
 introduced two tag and la-
 the 1501 and 1504.

l 1504 dial-set feature pro-
 ck changes in the printed
 chase system is designed
 ing of frequently repeated

omes with a choice of four
 racter sizes, operates at a
 of 175 impressions per
 the ink reservoir holds
 million impressions.

1501 dial printer prints
 nes of variable data on
 s at a nominal speed of
 s per minute.

lines of up to 18 charac-
 set, the middle line
 rubber mat.

arking Systems, Inc.,
 I, Dayton, OH 45401.

wire display bins

ALBION, MI—New wire display bins for step-type display units in a variety of retail operations have been introduced by Union Steel Products division of Eagle-Picher Industries.

Optional wire mesh dividers can be positioned anywhere along the 48-in. length of each bin. These merchandiser bins are suitable for both food and non-food items; they're electroplated with bright zinc and are lacquer coated to resist bangs and scuffs.

Union Steel Products, 500 N. Berrien St., M, Albion, MI 49224.

New disk operating system from Apple

CUPERTINO, CA—Apple Computer Inc. is introducing DOS-3.3 operating system for its Disk II floppy disk subsystem.

Owners of Apple Disk II drives with a prior version of DOS can convert with a DOS 3.3 kit. Also available is the DOS toolkit, a software development tool that lets users write source code in 6502 assembly language.

Like the Language System, DOS 3.3 uses a 16-sector storage format that increases the capacity of a diskette by more than 20%, from 116 kilobytes to 143 kilobytes.

Another improvement in DOS 3.3 is the ability to copy a program from one diskette to another, using a single disk drive, DOS 3.3 also includes a program that converts existing software libraries and data files in 13-sector format to run under DOS 3.3.

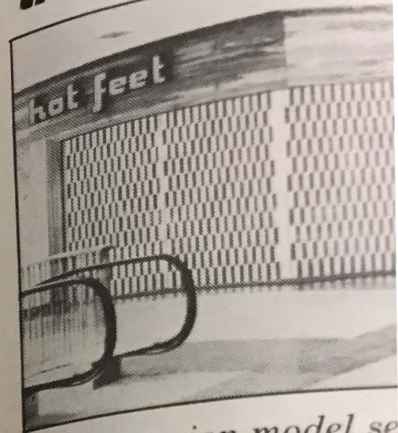
The DOS 3.3 kit will retail for \$60 and the DOS toolkit carries a \$75 retail tag.

Apple Computer Inc., 10260 Bandle Drive, M, Cupertino, CA 95014.

MERCHANDISING

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 height.
 Artco Corp., Penn A
 PA 19440.

Dynaflair intro three security



Centurion model se

PARSIPPANY, N.
 line of sliding security
 introduced by Dynafl
 line includes three mo
 a wide choice of securi
 cost options.

The grilles do not re
 floor tracks, and they
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The Centurion mod
 of extruded alum
 mounted on vertical
 The Series 126 consis
 vertical aluminum
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 is made of clear, un
 inserted into tubular
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Dynaflair sliding g
 made to individual s
 are available in six
 Natural and medium
 red, black, medium
 enamel.

Dynaflair Corp., 3
 M, Parsippany, NJ

JULY, 1980

POS system, and thus cost efficiencies that migrating point of sale control and sales.

POS communications s data in the batch communications be- 70, 3030 series, 4300 rters and the NCR rchandising System, Retail POS System, Retail System.

Dynamics system ications in either di- collection the r data ion

to the POS terminals. Data trans- mission is half duplex and may be ac- complished over switched or non- switched lines.

It sells under a license agreement for \$8,000.

Radio Shack's COBOL software for TRS-80

FORT WORTH, TX—The new CO- BOL Development System software package from Radio Shack makes it possible to write and use programs in COBOL (Common Business Oriented Language) on the TRS-80 Model II Microcomputer System.

This package is said to make the TRS-80 Model II compatible with a big library of existing COBOL pro- grams. According to Radio Shack, more programs with business and ac- counting applications have been writ- ten for COBOL than for any other computer language.

Features of the new COBOL pack- age include a one-pass compiler, full screen formatting, full ANSI Level 2 I/O, program linkage and segmenta- tion.

The Radio Shack TRS-80 Model II COBOL Development System, with reference manual, user's guide, sample program and disk, is priced at \$299. •

keeps Marty Wolf ahead of the pack.

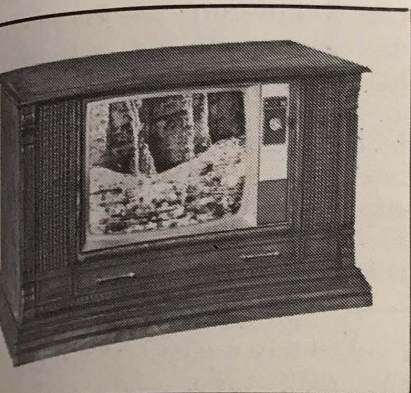
ese days, it takes a lot to keep a head of the competition. at's why I value my relationship . At Wolf's, we've been in s since 1919. And ITT's the only nning company we've ever had. e reason I'm sold on ITT is the of their local representation. nnis Robertson, our ITT

he always makes himself available when I need answers. And if Dennis gives me his word on something, that's all the assurance I need.

"So if you're a dealer in the market for floorplanning, give ITT a call. They'll keep you ahead of the pack, even if your name isn't

ITT

DuMont label returning to tv market with 9-model limited franchise line



Model DL2546P with twin speakers

OUTH ORANGE, NJ—The DuMont television label is returning to marketplace with a line of nine tv sets, including 13-in. portables, 19-in. table models and 25-in. consoles.

Sam Schwartzstein and Bill Goldstein, two industry veterans who direct Larsam Inc. (the company that will distribute the line for DuMont Consumer Products Co.), believe "the need for a quality color tv line that offers protected and protected franchises is greater than ever. This holds true particularly today, when dealers face increasing competition and shrinking profit margins."

Schwartzstein adds DuMont's "immediate thrust will be in color tv, but monochrome sets and videocassette recorders will be joining our line by year's end."

DuMont's four new 25-in. consoles—models DL2525P, DL2536W, DL2536P and DL2546P—all feature 30,000-volt state DuMATIC chassis; 4x6-in. speakers, in-line slot mask matrix picture tubes, room light monitor, automatic color level, and built-in AFC.

The trio of 19-in. table models—DL910BN, DL1916W and DL22W—feature 90-degree in-line picture tube and 27,000-volt solid-state chassis.

The 13-in. portables—models DL102WH and DL1312W—come with 25,000-volt chassis; slot mask and picture tube.

Prices for the sets are open listed. Schwartzstein, chairman of Larsam,

said the line is being made by an American tv manufacturer.

Rights to the DuMont name are owned by National Union electric, parent of the now defunct Emerson TV & Radio Corp., which acquired the consumer electronics operation of DuMont Labs in 1958. Larsam has licensed the DuMont name with an option to buy.

Valente resigns as RCA president

NEW YORK—Maurice R. Valente has resigned as president, chief operating officer and a director of RCA Corp.

An "office of the chairman" consisting of Roy Pollack, William Hittinger, Julius Koppelman, George Fuchs and Frank Olson—currently executive vice presidents and directors—has been created, headed by Edgar H. Griffiths, chairman and chief executive officer. The position of president and chief operating officer will be eliminated.

Griffiths said the board had been carefully evaluating Valente's performance since he became president in January of this year. "It was the board's unanimous decision," he stated, "that Mr. Valente's performance over nearly six months did not meet expectations in terms of the company's long-range needs and objectives."

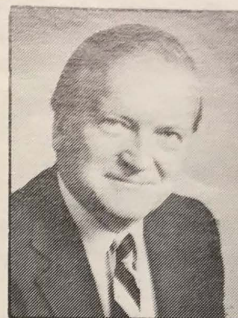
Mirro appoints Jung general sales mgr., shifts three others

MANITOWOC, WI—Peter Jung has been promoted to general sales manager of the Mirro Corp. He was most recently field sales manager.

Jung succeeds Frank Timberlake, who has joined Culinex Housewares, Inc., Canada.

Also, Cyndi North has been promoted to product manager of bakeware and microwave cookware. She succeeds Peter Mitchell, who has been shifted to the incentive sales department.

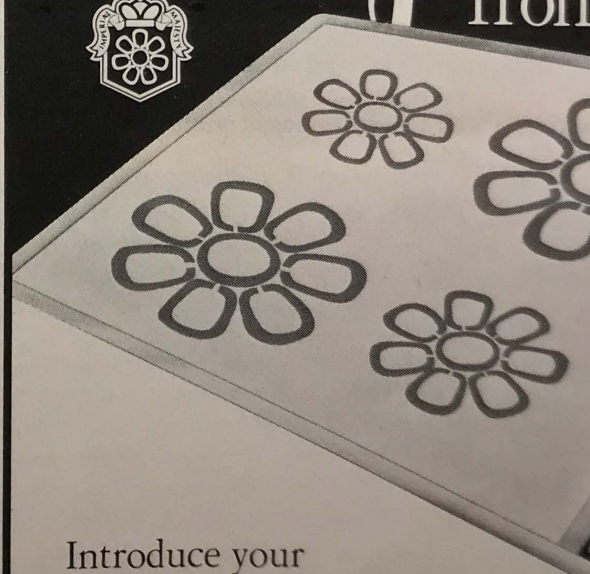
McCallister to head Zenith's marketing, Moore elected a vp



John McCallister was formerly vice president, sales plans, of the Zenith Sales Co. division since 1975.

GLENVIEW, IL—John L. McCallister has been named to head Zenith Radio Corp.'s marketing activities and is expected to be elected a vice president of the corporation. He

The Ultimate Cooking Surface Magna from



Introduce your customers to a new generation of cooking.

If your customers think our Magna traditional smooth top, have them look again.

Strong 'recession-be-damned' spirit pervades personal electronics area

CHICAGO—There was no "circle the wagons" sentiment among retailers and vendors of personal electronics, but rather a willingness on both sides to cooperate more, in the face of what appears to be a slackening in the rate of sales in some categories.

While the economic downturn is clearly being felt—one indication being lighter attendance at the CES by the "mom and pop" independents—there was very little evidence of gloom. In addition to attitudes, the upgrading of product and promotional programs helped provide the feeling of buoyancy to personal electronics.

A major trend, particularly among those retailers handling several different products, is to narrow their SKUs. This not only reflects a "watch-the-inventory" attitude, but is also meant to stimulate turns by concentrating on the winners, as well as to build clout with suppliers.

This was especially true in the case of electronic games, the category expected to show the greatest percentage gain in sales, and where shortages developed during last year's sales surge. Thus, even the 212-store Lowe's home center chain based in Wilkesboro, NC, is focusing on only five games, according to buyer Al Swink.

"Buyers are selective in their product choices," confirmed Arnold Greenberg, president of Coleco Industries. However, Greenberg said the availability problem has eased because industries more affected by the recession are using fewer chips.

An indication that competition is stiffening—despite continuing buyer and consumer demand—is Coleco's stepped-up comparative and feature-oriented TV advertising. The firm is also offering extended dating into the fourth quarter, as opposed to the usual 30- to 60-day period.

Lewis Kornfeld, president of Radio Shack, called games a "terrific" area, but he's also high on second-half prospects for computers, calculators, telephones and answerers.

The categories cited by Kornfeld were also those most other retailers said would be the strongest in the second half.

However, department stores, discount chains and multi-store mass merchandisers in general were showing preference for calculators and multi-function watches, along with games. Phones and computers still appeared to be more in the domain of specialists.

Popularization of computers

But the demarcation is becoming blurred. Computers are being "popularized." One factor is the entry into the field by Texas Instruments. Another is the introduction by Casio of a mini computer combining keyboard and screen in one piece. Also, Panasonic and Quasar showed hand-held keyboards that link to a video screen. The latter units will be in stores by year's end.

Other market-broadening moves include the "System II" package put together by APF Electronics based on its "Imagination Machine" that includes an expansion box, floppy disk and interface, at \$999. Also, Ohio Scientific, which showed a voice recognition unit,

has signed up Montgomery Ward as a retailer.

Calculators—the most ubiquitous of all personal electronics in terms of usage, model diversity and unit volume—have lost little of their retailer appeal. To be sure, there have been some moves toward "limiting our SKUs," as one department store buyer put it. But the wide variety of items, from novelty units that have game capability to printers—including a typewriter keyboard "memo machine" from Sharp—to translators to sophisticated scientifics, leaves plenty of room for outlets of all kinds carrying calculators.

These introductions can only help generate growth by stimulating what

Robert Widders, merchandise manager, and Jim Foote, buyer, for the 10-store Weinstock operation in Sacramento, looked over the line of calculators and other "fashion" electronics introduced for the first time by first-time exhibitor Pierre Cardin Electronics.

(On opposite page) Norman Bohm, vice president and general merchandise manager for Cook United Inc., a 73-store discount chain, based in Maple Heights, OH, checked out the National Semiconductor Quiz Kid calculators during the CES.

Predictions of continuing growth highlight personal electronics panel

CHICAGO—Stability in the CB industry and continuing growth for feature phones, cordless units, answerers and scanners were projected at the CES personal communications conference here.

Also highlighted was an explanation of the Federal Communications Commission registration program that took effect July 1 last year.

Frank Young, supervisor-operational regulatory matters, American Telephone and Telegraph Co., emphasized the need for retailers—although they are not directly affected by the program—to know the responsibilities of the manufacturer and consumer, since "they are caught in the middle."

Significant points for retailers to remember, he indicated, are that the consumer must notify the telephone company of the product's registration, and ringer equivalency numbers (REN), and standard jack numbers, as well as manufacturer name and model number; and that manufacturers are responsible for servicing the product. Citing various industry sales projections of continued consumer unit sales growth to upwards of well over two million this year, Jim Harter, marketing director for Superphone Corp., contrasted this with 5.9 million new telephones the telephone companies are expected to put in this year.

60% are for home use

He said his firm's findings indicate 60% of retail sales are for home use, 40% for business.

The key elements in selling, said Harter, are a distinctive display "and demonstration, demonstration and demonstration."

retailers from coast to coast—like Robert Widders, merchandise manager for Sacramento's Weinstock's; buyer Dennis Driscoll of F&R Lazarus, Columbus, OH; and Tom Maciag, merchandise manager for Hess's, Allentown, PA—called the repeat or replacement market.

Printers are a growing category, as are novelty units. An electronics specialty dealer, James Harris of Apple Country Enterprises, Berrien Springs,



MI, is high on music calculators, scientifics and programmables.

Norman Bohm, vice president and general merchandise manager of the 73-outlet Cook United chain, Maple Heights, OH, called the credit card models a sales leader.

Digital watches

The picture was not as bright for digital watches, at least not for several buyers at the show. Higher priced, over-\$100 units are still doing well, but much of these are handled by jewelry and department stores. The promotionally-priced, multi-function chronograph alarm digitals, where the bulk of the action is for most electronics buyers, have drifted down in price

short. It's a 12-month business. It's not an impulse item, and not so much a gift item," declared Schatz.

He added that the most popular sellers are toward the top of the line "remotes at over \$200." Said Schatz: "75% of dollars are at the higher end."

Pre-boom CB market

Addressing the CB market, Bernie Appel, senior vice president of merchandising and advertising at Radio Shack, said "it has not changed in the past two years. It's back to the pre-boom levels—a nice small business, 1.5, maybe two million units."

He said for the first half, sales were "a little bit less" than a year ago, "but I don't think they'll go down anymore."

He said the major portion of the business was in under-\$100 mobile units. "Anything over \$100 is almost dead as a doornail."

He made a similar assessment of base stations. "We're only carrying one in our catalog, at around \$169-\$180."

Single sideband volume, which he said is maybe 10% of the business, has been "very slow," and only one unit will be in the 1981 Radio Shack book.

"The only good market is the road market—for finding Smokey—REACT, safety, Channel 9 use," said Appel. He estimated the replacement market accounted for 50% of sales.

He expressed doubt that FCC talk about a new 900 MHz service would ever be implemented, and noted SSB units capable of using it would be expensive, in the \$200-\$300 range. "We have no product in development," he said. "We're not anxious to obsolete existing sets," said Appel, citing the 23- to 40-channel shift as a factor in dampening the CB boom.

MERCHANDISING

to the extent that only heavy commitments can be profitable. But the general tightening of inventories precludes this for many.

Indeed, watch inventories overall are lower at all levels. However, low-ball pricing appears to have bottomed out, promising increased stability for the industry. "I came looking for close-outs," said one midwestern buyer, "but I guess they've stopped giving them away as a tax writeoff."

Phones answerers growing

The telephone sector is experiencing growth, even if on a more modest scale than was envisaged a year ago.

A big lift, psychologically at least, is the deregulation ruling that will publi-



Personal computers still not a consumer product, Kassar says

CHICAGO—One of the leading suppliers of "personal" computers told a CES audience here that these computers are not a consumer product today.

The reason, says Raymond Kassar, chairman and chief executive of Atari, is that "the industry has not been attuned to the consumer."

"Computers were born in the business environment. And the personal computer today finds its first market among small businesses and hobbyists. But, the future of the industry will in no way reflect its origins. Clearly, our real potential rests with the consumer," Kassar said.

What does it take on the part of the manufacturer and retailer to make the personal computer a serious consumer product? The key, according to the Atari executive, is in "real consumer orientation."

Citing a projection that there will be one personal computer for every four people, Kassar said that this was not an optimistic estimate in his opinion.

"Unfortunately, the success of the small computer with hobbyists has confused many manufacturers into designing exclusively for this market."

Kassar also said he believes the computer will be the most preferred customer monitoring device ever conceived. "Consumers will be able to talk directly to us—tell us what they like and don't like about their computers. Maybe we'll hear some of this on our Atari user's hotline, one of the services we'll have on a data network later this year."

cize the cost of renting a phone from the phone company. A number of retailers cited this as a plus.

Another plus factor, explained specialty dealer Benjamin Hyman, Telephone World, Richmond, is that "suppliers are giving us the extras, the advertising money we need. We're getting their cooperation. They're recognizing they need us to make the public more aware."

Answerers, which have experienced their own good growth since the landmark decision permitting interconnect, are also continuing healthy sales at most stores.

CB for specialists

The one personal electronics category where the specialist has taken over to the virtual exclusion of other retailers is CB. But while the industry "pie" is no longer as big, and the number of suppliers and retailers diminished, projected volume of about 1.5 million units is offering the survivors a bigger slice.

Not so small either are the numbers—up to 750,000 units—forecast by Judy Kendall, vice president-marketing for Comradar, for industry radar detector sales.

What it all adds up to is a "reces-

sion-be-damned" spirit in personal electronics, whose purveyors are finding more reasons for optimism than gloom. To capitalize on their potential, a growing number of retailers are creating so-called ACE—Advanced Consumer Electronics—departments or variations thereof, encompassing many of these products.

As one such merchant, Bob Price, merchandise manager for O'Neill's, 10-outlet Akron, OH department store, explained such a grouping, "We're making one large statement in the stores."

—Jack Blood

Copal adds more sell to the best selling line of quartz alarm clocks.

The best of the best sellers in quartz alarm clocks are now even better.

Because Copal has added exciting new models to the line.

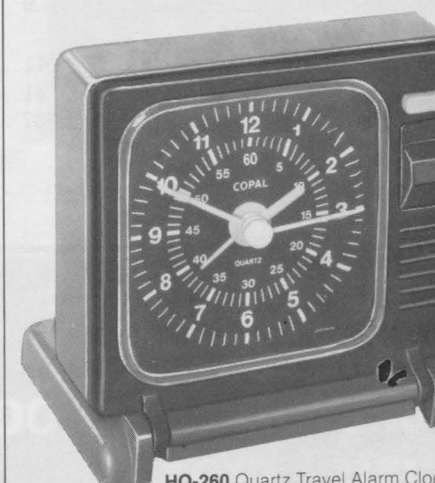
A travel mini-clock with a built-in protective cover that opens to a handy stand. A big time alarm clock with a silver case. A mini quartz clock with silver trim.

And like all Copal quartz alarm clocks, they're built with solid state reliability and super-accuracy.

Copal also offers a wafer-thin pocket quartz alarm digital with LCD, the largest analog quartz alarm, plus a beautiful variety of quartz analog models of every size and style. And they all feature unique sounding alarms. Priced from just \$22.95 to \$29.95 suggested list.

Now that Copal has added great new models to its line, you can add something to your register. More sales and profits.

For more information on Copal Clocks, write or call: Copal Corporation of America, 58-25 Queens Blvd., Woodside, N.Y. 11377. Tel: 212/672-9100. Outside N.Y., call 800/221-0482.



HQ-260 Quartz Travel Alarm Clock with Cover and Stand. Has Peep'n Pause Alarm.



HQ-257 Mini-Quartz Clock with Peep'n Pause Alarm.



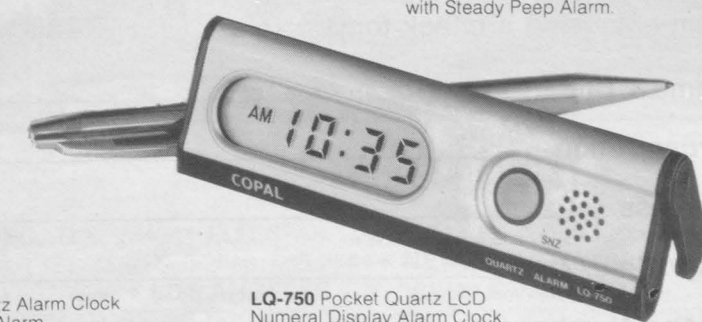
HQ-255 Mini-Quartz Alarm Clock with Steady Peep Alarm.



HQ-355 Compact Quartz Alarm Clock with Steady Peep Alarm.



HQ-357 'Big' Time Quartz Alarm Clock with Steady Peep Alarm.



LQ-750 Pocket Quartz LCD Numerical Display Alarm Clock.

SEE COPAL AT THE HOUSEWARES SHOW — BOOTH NO. 1352

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AUGUST 1980
INDUSTRY WITH MORE THAN TODAY ON ITS MIND



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RADIO SALES BY TYPE OF OUTLET		
	1980	1979
Appliance/TV store	16%	24%
Audio/Hifi store	4%	—
Catalog Chain		
(Sears, Penney, etc.)	12%	14%
Catalog Showroom	15%	15%
Department store	10%	11%
Discount store	29%	26%
Drug store	3%	1%
Furniture store	1%	1%
Jewelry store	1%	1%
Other	9%	7%

BLANK TAPE TOTAL FACTORY SALES		
	1980	1979
Blank Audio Tape, total	255,612	234,786
Cassette (total)	228,445	203,986
Promotional	101,266	94,790
Premium	126,728	108,970
Metal Particle	451	226
Open Reel (total)	8,604	9,200
Promotional	1,331	1,500
Premium*	7,273	7,700
8-Track (total)	18,563	21,600
Promotional	10,628	12,950
Premium*	7,935	8,650

* High coercivity, cobalt doped, chrome & ferric chrome, etc.

PROMOTIONAL TAPE SALES BY TYPE OF OUTLET		
	1980	1979
Appliance/TV store	4%	4%
Audio/Hifi store	10%	11%
Camera store	3%	3%
Catalog Chain		
(Sears, Penney, etc.)	11%	10%
Catalog Showroom	6%	5%
Department store	7%	7%
Discount store	37%	38%
Drug store	8%	8%
Electronic Specialty store		
(Radio Shack, etc.)	6%	6%
Record store	6%	6%
Other	2%	2%

PREMIUM** TAPE SALES BY TYPE OF OUTLET		
	1980	1979
Appliance/TV store	5%	4%
Audio/Hifi store	41%	46%
Camera store	4%	3%
Catalog Chain		
(Sears, Penney, etc.)	7%	6%
Catalog Showroom	7%	5%
Department store	10%	9%
Discount store	16%	15%
Drug store	3%	3%
Record store	6%	8%
Other	1%	1%

** High coercivity, cobalt doped, chrome & ferric chrome, metal, etc.

AUTOSOUND

TOTAL FACTORY SALES		
	1980	1979
Autosound, total	18,866	18,630
ID Cassette/Radio		
Combo	2,602	2,200
ID 8-Track/Radio		
Combo	2,125	2,500
UD Cassette Player	708	775
UD Cassette/Radio		
Combo	530	605
UD 8-Track Player	921	1,300
UD 8-Track/Radio		
Combo	300	500
Car Speakers (pairs)	10,611	9,500
Radios only (retrofit)	1,069	1,250

(final 000's omitted)

AUTOSOUND SALES BY RETAIL PRICE RANGE		
	1980	1979
\$50 and under	3%	5%
\$51-\$90	16%	15%
\$91-\$130	25%	21%
\$131-\$180	32%	32%
\$181-\$250	11%	11%
\$251-\$350	8%	9%
Over \$350	5%	7%

Analysis

In-dash combos show bright spot

There isn't much to blow your horn about this year in autosound in terms of unit factory sales—unless you've been gaining market share.

AUTOSOUND SALES BY TYPE OF OUTLET		
	1980	1979
Appliance/TV store	4%	4%
Audio/Hifi store	16%	15%
Automotive Supply	14%	15%
Car Stereo Specialty store	14%	13%
Catalog Chain		
(Sears, Penney, etc.)	12%	12%
Catalog Showroom	4%	3%
Department store	7%	9%
Discount store	15%	12%
Electronic Specialty store		
(Radio Shack, etc.)	10%	10%
New Car Dealer	4%	5%
Other	0%	2%

Total unit sales are expected to be up only slightly over 1979 and that may be considered impressive considering that the entire category is being pulled down by a tremendous slackening in sales of underdash models in general and 8-track players specifically.

In-dash cassette combos grow

Hardest hit are the underdash 8-track/radio combination models. They're losing ground very rapidly to the one autosound electronics category that continues to do well—in-dash cassette/radio combos. Indeed, the latter product is expected to grow in sales this year by 18% over 1979, 2,602,000 units.

By comparison, the underdash 8-track combo is likely to drop off to 300,000 units sold this year, down a heady 40% from last year's sales levels.

Radios for retrofitting will also be off in sales this year by some 14%, to 1,069,000 units.

Car speaker gains

Car speakers are a bright spot, however. Merchandising is projecting an increase in car speakers of 12%, up to 10,611,000 pairs.

Sales of car speakers in dollars, although not projected here, may be off somewhat because of the trend in certain areas of the country to smaller speakers

(Continued on page 22)

MERCHANDISING

Advanced Circus Home Pinball. Big excitement for families. Big profits for you.



BRUNSWICK
Since 1845

NEW FROM BRUNSWICK! The great American circus is now right at home with Brunswick's* advanced Circus Home Pinball game. Featuring the next generation of solid state electronics, super graphics playfield and back glass, a multitude of flashing lights and 19 circus tunes and tones. Five ball game for up to 4 players. Six-digit memory recalls each player's position and keeps highest score recorded. Double and triple bonuses — Free ball awards.

IT'S THE CIRCUS THAT BRINGS YOU BIG PROFITS! Brunswick is the only manufacturer of professional, ARCADE QUALITY home pinball. Solid, durable and with all the "asked for" exciting features. PLUS, full Brunswick support — warranty program, national service network, traffic building ads and point of sale promotions. Choice of Circus Wagon Red or Wood Grain cabinets. Get in on the big profits with Brunswick Home Pinball games — NEW Circus and Alive!

Find out how you can make big profits with Brunswick home pinball!

Brunswick Corporation

Consumer Division

One Brunswick Plaza

Skokie, IL 60077

Please rush me further information on Brunswick* home pinball

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Company _____

Address _____ State _____ Zip _____

Phone# _____

PHONE YOUR ORDERS IN
ON THE BRUNSWICK
HOTLINE
800/336-8764
(CALL COLLECT 703/783-3125)
IN CANADA
CALL 416/277-9561

M 880

PERSONAL ELECTRONICS

Analysis

LANGUAGE TRANSLATOR TOTAL FACTORY SALES		
1980	1979	% of Change
5,994	25,380*	+ 2
1,602	21,317	+ 1
2,625	2,598	+ 1
665	573	+ 16
91	82	+ 11
2,221	18,064	+ 1
392	4,063*	+ 8
956	946	+ 1
202	1,106*	+ 9
234	2,011*	+ 11

(final 000's omitted)

SALES BY OUTLET	
1980	1979
4%	5%
1%	1%
20%	23%
12%	—
16%	21%
30%	32%
4%	5%
9%	9%
4%	4%

% of 1979 Change	
17	+ 12
37	-53
7	-50
0	-65
0	+ 23
0	+ 16
0	+ 40

(final 000's omitted)

1979
20%
22%
30%
8%
15%
5%

Gains predicted in most products

Every personal electronics category but one—radar detectors—is expected to register higher factory unit sales this year over 1979.

Not surprisingly, personal computers and electronic games are experiencing the most dynamic growth in 1980. Both products are relatively new to the personal electronics market and have in some way suffered growing pains. But their success in the marketplace as healthy and viable consumer electronic products now seems clear.

Overall, *Merchandising* is projecting a 43% increase in electronic games, up to 23,000,000 units with most of the action going to hand-held models.

Although manufacturers have tended to not talk so much about chip shortages in recent months, their higher projections of unit sales of electronic games earlier this year would seem to indicate that some shortages might be anticipated. Meanwhile, manufacturers and some retailers have been stocking up in anticipation of a busy Christmas.

Changes in terms of where electronic games are sold are actually insignificant from last year.

Computer market growing rapidly

The personal computer story is interesting in that the market is growing fairly rapidly, there are quite a few new products and the price range of many of these new products is expanding both upwards and downwards. Also, there's a very noticeable shift in where personal computers are being sold.

Computer specialty stores continue to get most of the business, but electronic specialty stores, particularly Radio Shack, which has gained a major market share foothold in this business, has almost doubled its share of personal computer sales by type of outlet. Others have made very slight gains, mainly at the expense of hobby shops, many of which have set up special computer departments.

In calculators, the most notable change is in desktop models. *Merchandising* has revised its projections from earlier this year to more accurately reflect the growth of printer/display models in sales to consumers over the only slightly lower priced printer-only models. The printer-only unit continues to sell

(Continued on page 26)

LANGUAGE TRANSLATOR TOTAL FACTORY SALES		
1980	1979	% of Change
151	140	+ 8

(final 000's omitted)

PERSONAL COMPUTER TOTAL FACTORY SALES		
1980	1979	% of Change
366	246	+ 49

(final 000's omitted)

PERSONAL COMPUTER SALES BY TYPE OF OUTLET		
	1980	1979
Appliance/TV store	5%	4%
Audio/Hifi store	4%	3%
Catalog Chain (Sears, Penney, etc.)	5%	2%
Computer Specialty store	43%	48%
Department store	6%	5%
Discount store	2%	—
Electronic Specialty store (Radio Shack, etc.)	20%	12%
Hobby Shop	15%	26%

USES: % OF RETAIL SALES		
	1980	1979
Business/Professional	53	49
Personal/Home	31	37
School/Educational	16	14

PERSONAL COMPUTER SALES BY RETAIL PRICE RANGE		
	1980	1979
Under \$500	8%	—
\$500-\$800	35%	68%
\$801-\$1,000	19%	14%
\$1,001-\$1,500	25%	10%
\$1,501-\$2,000	8%	7%
Over \$2,000	5%	1%

MERCHANDISING

Royal
most comp
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designed
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A full
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Royal 110P
Printer only. Avail

Other pro

Royal

Electronics Statistical & Marketing Report

• Continued from page 24

well, a number of suppliers report, mainly to business applications where users are comfortable with the display-less model.

As for sales by type of outlet, 1980 projections have been adjusted to indicate the market share of catalog showrooms, which weren't included in the magazine's 1979 statistical report.

LED watches drop substantially

The most noticeable change in digital watches is in the huge drop in the sale of LED display models. Sales of these watches will be off a projected 53% this year, while all LCD models—men's and women's—are expected to increase in unit sales by 23%. Although more than twice as many men's digitals sell than women's, the women's digital models will be up about 40% in unit sales in 1980 over '79.

Again, in digital watches, revised data indicates

that catalog showrooms hold a significant share of sales in this category.

Advanced phones sell well

Telephones, particularly the high-end so-called advanced electronic models, are selling well, too. A 47% increase in unit sales is projected in the type of phone for calendar 1980. Overall, telephone sales are expected to climb 11% this year.

Phone answerer sales are riding a growth of new product introductions in a broader range of prices. A 29% increase in unit factory sales is projected for this year.

Language translators, still a very new product category, should grow 8%, up to 151,000 unit sales this year.

The only flatness in personal electronics is in radar detectors where growth this year will be minimal.

ANSWERER SALES

	% of 1979
2,100	+ 11
994	+ 12
962	+ 4
144	/47
495	+ 29

000's omitted)

1980	1979
4%	5%
3%	4%
5%	18%
9%	9%
18%	18%
20%	20%
16%	16%
10%	10%

1979
2%
4%

17%
9%
32%
27%
2%
6%
1%

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itted)

ELECTRONIC GAME TOTAL FACTORY SALES

	1980	1979	% of Change
Electronic Games, total	23,000	16,083	+ 43
Board	18,400	12,900	+ 43
Hand-Held	4,600	3,183	+ 45

(final 000's omitted)

RADAR DETECTOR SALES BY TYPE OF OUTLET

	1980	1979
Appliance/TV	1%	1%
Automotive Supply	21%	22%
Catalog Chain (Sears, Penney, etc.)	7%	6%
Catalog Showroom	11%	9%
CB Specialty store	10%	10%
Department store	3%	4%
Discount store	22%	21%
Truck Stop	18%	19%
Other	7%	8%

ELECTRONIC GAME SALES BY TYPE OF OUTLET

	1980	1979
Book store	1%	1%
Catalog Chain (Sears, Penney, etc.)	13%	13%
Catalog Showroom	13%	12%
Department store	11%	10%
Discount store	40%	39%
Electronics Specialty store (Radio Shack, etc.)	3%	4%
Hobby Shop	1%	2%
Toy store	18%	19%

Statistical & Marketing Report

PROJECTION TV TOTAL FACTORY SALES

1980	1979	% of Change
67	63	+ 6

(final 000's omitted)

PROJECTION TV BY TYPE OF OUTLET

	1980	1979
ore	15%	14%
	32%	33%
m	1%	1%
	9%	12%
	3%	1%
	4%	4%
ore	35%	34%
	1%	1%

VIDEO CAMERA TOTAL FACTORY SALES

1980	1979	% of Change
90	73	+ 23
73	43	+ 70
17	30	-43

(final 000's omitted)

VIDEO GAME TOTAL FACTORY SALES

	1980	1979	% of Change
Video Games, total	1,750	1,685	
Non-Programmable	650	1,085	+ 4
Programmable	1,100	600	-40
			+ 83

(final 000's omitted)

VIDEO GAME SALES BY TYPE OF OUTLET

	1980	1979
Appliance/TV store	7%	7%
Audio/Hifi store	3%	5%
Catalog Chain (Sears, Penney, etc.)	14%	12%
Catalog Showroom	10%	6%
Department store	22%	24%
Discount store	33%	34%
Electronic Specialty store (Radio Shack, etc.)	2%	2%
Toy store	7%	7%
Video Specialty store	1%	1%
Other	1%	2%

MERCHANDISING'S MARKETPLACE

Gives your classified ad
more exposure
and
immediate response

Retail

A major for ca

With electri
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Disc intro

shoulder strap, also features an AM/FM weather band radio. It lists for \$179.95.

The 3S62, with a suggested retail of \$149.95, has a newly-designed cabinet and a silver metallic finish.

Sharp Electronics Corp., Consumer Electronics Div., 10 Keystone Pl., M, Paramus, NJ 07652.

APF video game for personal computer

NEW YORK—APF Electronics unveils Space Destroyer, the video space game designed exclusively for its personal computer, the Imagination Machine.

One or two players may enter the battlefield against the aliens as the Imagination Machine displays the space wars on screen. Points are also displayed as each alien is destroyed, ranging from 10 to 30 point values for different aliens. Bonus points of 50, 150 and 300 are received for each alien command ship you destroy.

Other cassettes also available include the Instructor Series that adjusts to individual levels of learning and comprehension to strengthen skills. Suggested list for Space Destroyer is \$19.95.

APF Electronics, Inc., 444 Madison Ave., M, New York, NY 10022.

AUGUST, 1980

looking for a stereo
for today's lifestyles
And make the sale
M-501 four-compon
delivers performan
better than—full siz
the price. Each cor
technological gen
system with rich, f
sound.

SA-C50U Stereo p

Full-featured co
MC cartridge, bas
controls, -20dB m
dubbing and all i
facilities.

SA-P50U DC Ster

50 watts per ch
RMS at 8 ohms, b
from 20-20,000 Hz
0.02% THD. 9-poi
indicators.

ST-R50U Quartz S

Precise, autom
tuning with a 12-s
programmable
AM and FM.

SD-L50U Metal C Stereo Cassette

Completes the
Professional-type

Sanyo positions are new.

Both positions are new. Blady joined Sanyo in April, 1978 as northeast district manager-appliance division and Gerber joined in May, 1979 as product sales manager-consumer calculator division.

Also, Joel Hametz, Thelma Pressman and Andy Simon have joined Sanyo.

Hametz will be manager of special markets-appliance division; Pressman, director of consumer services and education-appliance division; and Andy Simon, regional sales manager for the Northeast and Midwest, consumer calculator division.

These are also new positions.

Diane Kissell named Mattel vp-marketing

HAWTHORNE, CA—Diane Kissell has been named vice president-marketing, video products, for Mattel Electronics, a division of Mattel, Inc.

She was previously director, management consulting dept., Stanford Research Institute.

AUGUST, 1980

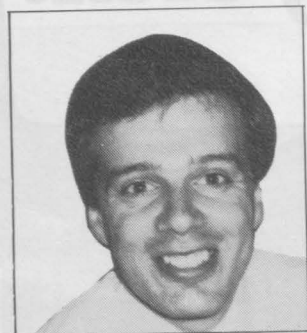
Right now, in 1
is the way to move CBs. If
advertising. Powerful ads l
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Midland.

The need today is for
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You know about our r
competitively-priced line.
at good markups. And no
you use our powerful ad

Trendings in Personal Electronics

Supply and demand good for non-video games



William H. Green

Retailers expect strong consumer demand for non-video electronic games during the holiday season. They added that supply will pose less of a problem than it did last year.

From a 17-outlet Northeastern department store chain comes the reminder that there were more than double the number of game manufacturers at the 1980 toy show than in '79.

The divisional merchandise man-

ager continued that, based on last year's experience, the number of SKU's has been reduced from 50 to 35 and backed in greater depth. Two popular games still are on limited allocation, however, and supply could be short.

The public is being pre-sold via television, he said. "As every year, we'll be promoting at very competitive prices through newspapers," he added.

In contrast to last year, best sellers

will be "fairly abundant. The good companies planned for a big year," said the merchandise administrator for a leading Northern California department store.

"The big concern was the availability of chips," he added. "With the downturn in the auto industry, they won't be using as many."

Extensive television promotions by some suppliers will result in good store pull-through, he seconded. On the other hand, Thanksgiving does not fall until Nov. 27 this year, ensuring a "late" Christmas, he pointed out.

Will consumers pay more for the more sophisticated second-generation games? Yes, say retailers. Despite the \$6 to \$10 price increase, football, for instance, is expected to be this season's biggest seller. "Each year, there's a new market springing up because of age growth and new features," pointed out the general merchandise manager for a Florida catalog chain.

Second-generation games add volume
A Midwestern department store's hardlines general merchandise manager added that although some of last year's consumers will be out of the market, he looks for bigger unit volume this season, the result of second-generation games.

Newspaper advertisements will show up to 30 games. The store counts on customers being lured by the wide selection and selected price reductions, mostly for first-generation games.

"While a customer with a given game in mind may go to the cheapest vendor, good presentation lures those with \$25 to \$40 or so to spend," he said. Hand-helds are expected to account for about 90% of sales unit volume.

Similarly, there was this thought from a \$50-million Minnesota-based audio chain's buyer: "We try to remain competitive without going into a panic. If we're visible we'll sell through, without advertising on the scale of some discounters."

"Manufacturers have put together national campaigns—and a big shot of advertising in hand-helds at Christmastime does a lot for us. The discounters will get rid of everything they've got and the public will come to us anyway."

The Florida cataloger summed up his attitude this way: "Our price usually is several dollars lower, but the department store has its customers and we have ours."

"If ordering was done right, it's an area that will sell through before Christmas. That's important because the wholesale price could decrease, and there could be new features at the Toy Fair."

Fear of overstocking is one reason why some appliance/tv dealers continue to shy away from this merchandise category.

Pre-Christmas sell through
Other problems for some are evident in the following comments: "I don't have enough volume to commit \$15,000 and get a price break," avered an Indiana retailer. Instead, he has to buy through a distributor.

"At this point there is just not enough profit... and there are problems with shrinkage," he said.

A Colorado tv/stereo dealer said, "It's just not our bag. We have a limited amount of floor space, which right now yields \$425 per square foot." Also, the store "definitely is not in a good walk-in traffic area."

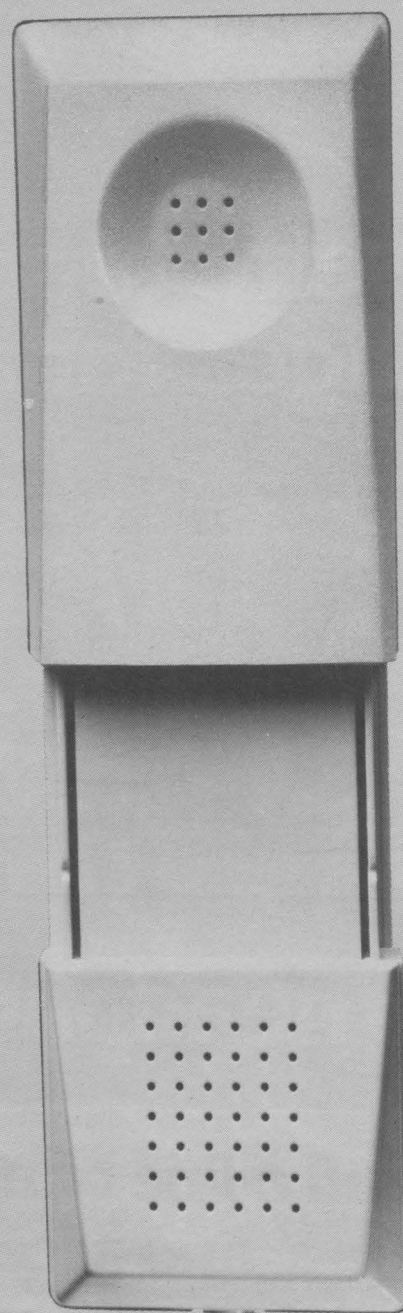
ITT

ITT Personal Communications, a unit of ITT, Clark, N.J. 07066

MERCHANDISING

It will
expand your
phone business.

Introducing
the new ITT
Ultra 80™ phone.



The ITT Ultra 80™ opens a new age in telephones.

- One-piece all electronic phone. Meets all telephone company specifications.
- Compact design. Open to use...close to hang up.
- Tel-Pulse™ dialing...operates on rotary or tone systems.
- Memory Redial...recalls last number dialed.
- Line access button, ringer shut-off, 14' modular cord.

The ITT Ultra 80™ opens a new age in sales.

- Our Starter Pack (U-80DP) puts you into business in less than one square foot of counter space. It contains:
- 1 free full-color display with demonstrator phone.
- 6 Almond Beige Phones with accent trim (PC1500 AB).
- 6 Cocoa Brown Phones with accent trim (PC1501 CB).
- Available for immediate shipment.

Call Bill Morland, Director of Sales, at (800) 526-4262. In N.J., (201) 381-2828.

14

RCA

SYLVANIA

ZENITH



WHAT MORE CAN WE SAY?

Not much because the incredible Sylvania Superset has said it all—again.

For the fourth year in a row—in an independent test for best overall color picture—more people chose the 19" (diag.) Sylvania Superset. Over Zenith. Over RCA.

And that's not all. In a separate test more people chose the 25" (diag.) Sylvania Superset than either RCA or Zenith.

That's performance and it speaks for itself.

All we can do is tell the world about it. And we're going to do just that with a full thirteen weeks of network TV coverage this fall.

We'll tell the story on NBC with NFL games, the "Tonight" show and the "Tomorrow" show. On CBS we'll be on NFL games, movies and news programs. And on ABC we'll have "Nightline" and weekend news programs. We're even going to spread the word on the new Cable News Network with two spots a night, every night for 13 straight weeks. After all, wouldn't you?

SYLVANIA

GTE

watts per channel, suggested \$900. Model 7900Z, with 100 watts per channel power output, has a \$750 approximate retail price.

The new FR-D35 direct-drive turntable features automatic return and shutoff. Because all controls except the cueing lever are up front, it can be operated with the dust cover in the down position.

Activision announces skiing & bridge games

SUNNYVALE, CA—Two new Activision game cartridges for use in the Atari Video Computer System, Skiing and Bridge, will be available at retail early in 1981.

Skiing features a wide variety of slalom and downhill ski runs at various expertise levels. Bridge plays almost exactly like real bridge, manufacturer says.

Activision is the first independent designer of video game cartridges for use in an existing game system. Its first four games, Boxing, Dragster, Checkers and Fishing Derby, are currently available.

Activision, 759 E. Evelyn Ave., M, Sunnyvale, CA 94086.

Pierre Cardin group stresses high fashion

NEW YORK—The Pierre Cardin Electronique collection features "high-fashion environment electronics" for home, office and travel. Included are calculators, portable radios, desk and home clocks, clock radios and electronic travel products.

In addition, there is a "limited edition" group of micro calculators in 14-karat gold and lacquer, sterling silver and gold- and silver-plated models.

Prices range from \$35 for the personal size portable radio to \$7,500 for the 14-karat gold calculator.

Pierre Cardin Electronique, M, 1115 Broadway, New York, NY 10010.



detector

— ComRadar Corp.
Fox Vixen, a super-
detector with quick
or easy installation

has taken the esta-

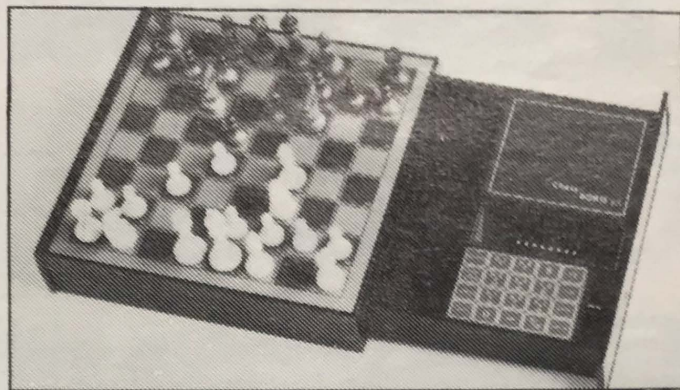
alarm, volume and squelch controls
and power indicator light. Vixen will
detect all band radar frequencies in-
cluding the new pulsed K and traffic
radar signals, the maker claims.

*ComRadar Corp., 4518 Taylorsville
Road, M, Dayton, OH 45424.*

nd of the
today.



Modular game system weighs under 4 lbs.



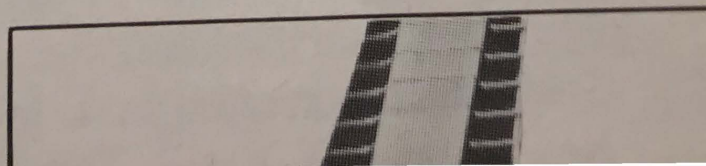
Modular Game System

GARLAND, TX—Programmable electronic game features a portable, self-contained microprocessor. After purchasing the \$285 mainframe, users need buy only additional game modules, priced from \$49 to \$69.

The Modular Game System weighs less than four pounds. Game modules include Boris 2.5 Chess module, claimed the world's strongest micro-computer chess game. Other modules now, or soon to be available include blackjack, Las Vegas 21, Borchek Championship Checkers, Tournament Backgammon and others.

*Applied Concepts, M, 207 N. Kirby,
Garland, TX 75042.*

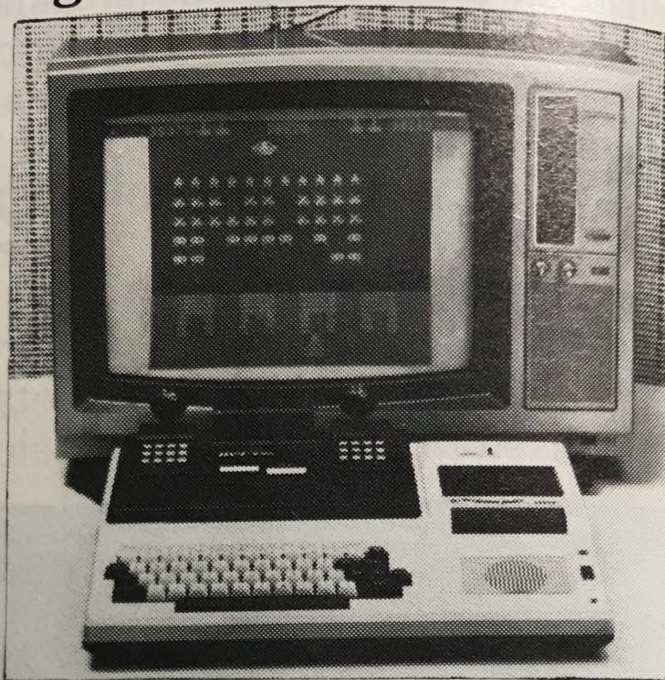
3.9mm alarm/chrono has memory alarm



ess Challenger, the
ter records and
black and white
line.
2¼-inch thermal
current broad posi-

locations.
Other features include book-open-
ing move indication, wall mount
transformer and solid walnut base.
*Fidelity Electronics, Ltd., M, 8800
N.W. 36th St., Miami, FL 33173.*

Video game pits user against alien ships



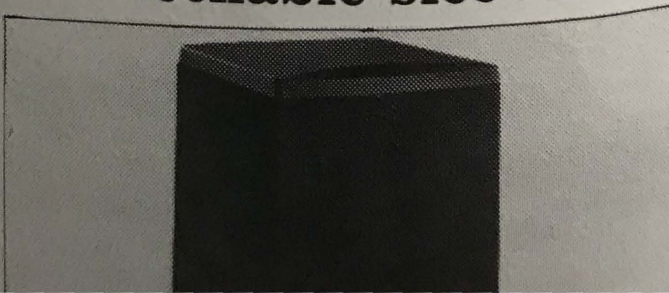
Space Destroyer

NEW YORK—Space Destroyer video game is designed for the personal computer, The Imagination Machine. A squadron of three space destroyers maneuvers against a continuous wall of phaser-firing aliens.

The suggested retail price is \$19.95.

APF Electronics, M, 444 Madison Ave., New York, NY 10022.

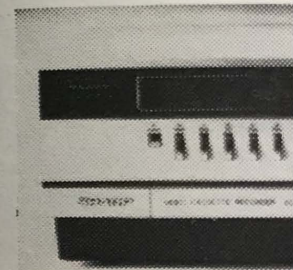
KEF speakers feature 7 switchable sleeves



Tote &
OWINGS M
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up to 700 feet
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Tote & Talk
suggested retail
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Sharp ma 6-hour VH



Sharp VCR

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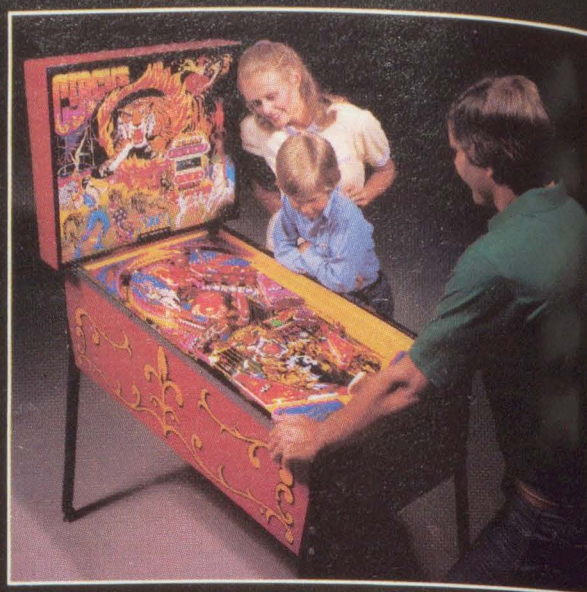
The Sharp
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Hand

They're buying more Brunswick[®] than ever before.



And you will sell them—
at full mark-up—and in
greater volume—than any
other home entertainment
products you carry!

The American family is bringing entertain-
ment home to enjoy, instead of going out.
And this new and dramatic buying trend is
sending Brunswick[®] Home Recreation sales
soaring. This is the product mix that gives
your customers the full quality Brunswick
line of recreation products for their homes.
And they like what they see. They're buying
Brunswick like never before.



Find out why they're buying more Brunswick than ever before.

BRUNSWICK
Since 1845

Brunswick Corporation
Consumer Division
One Brunswick Plaza
Skokie, IL 60077

M-1180

I am particularly interested in knowing more about Brunswick
☐ Pinball ☐ Billiards ☐ Supplies ☐ Games

Name _____ Title _____
Company _____
Address _____ City _____
State _____ Zip _____ Phone # _____

b) do you expect in
s) for electronics in
h '80?

1981	1980
67%	60%
8	12
25	28

% do you expect?

1981	1980
9	1
37	11
17	44
23	16
6	22
8	6

e following categ-
ect dollar sales in-

1981*	1980*
62%	71%
20	22
18	14
3	6
52	47
29	"
19	28
25	23
13	18
20	**
6	**
4	8
11	10
13	4
17	18
6	11
3	8
10	1
12	8
11	**
18	**
1	3

n 100% due to
previous survey.

ELECTRONICS

In 1981, which of the listed product categories do you expect to provide you with the greatest profit, regardless of the number of units sold or price per unit?*

	1981	1980
Color tv	60%	64%
B/W tv	5	12
Tv games	2	4
Non-video games	2	1
VCR	13	20
Videodisc players	6	**
Hifi components	13	17
Car stereo	14	17
Clock radios	6	9
Compact stereo	8	**
Console stereo	4	**
CB radios	3	4
Personal computers	4	4
Portable tape recorders	3	2
Projection tv	6	8
Calculators	3	4
Digital watches	2	5
Telephones	5	4
Phone answerers	4	4
Audio accessories	4	**
Video accessories	5	**

*Adds to more than 100% due to multiple replies.

**Not included in previous surveys.

Which product was the largest single profit maker for you this year?

	62%
Color tv	10
Hifi components	8
Car stereo	4
VCR	3
Radio	3
CB radio	2
Compact stereo	2
Portable tape recorders	1
Console stereo	1
Personal computers	1

Calculators	1
Video accessories	1
Other products	2

Do you plan to add any product categories in 1981?

Yes	16%
No	41%
Not sure	43%

What change (%) do you expect in your local advertising and promotion for electronics in 1981 compared with 1980?

	1981	1980
Increase	44%	39%
Decrease	3	7
Same	53	54

What increase (%) do you expect?

	1981	1980
1-5	20%	5%
6-10	46	17
11-20	22	70
Over 20	12	8

If yes, which product categories?*

Videodisc players	59%
Projection tv	17
Tv	12
Video games	5
Compact stereo	5
Telephones	5
Personal computers	5
Prerecorded videotape	2
CB radio	2
Portable radiocassettes	2

*Adds to more than 100% due to multiple replies.

Vacuum cleaners	19	30
Home dental care devices	0	3
Charcoal-barbeques	5	8
Gas-barbeques	15	14
	1	**

HOUSEWARES

In 1981, which of the listed product categories do you expect to provide

12	14
----	----

each will support
lation, will support
radio, TV, audio/
ce service centers,

ories sold thus far
ers are: Robert P.
Able Electronics,
This territory is
e McHenry and
a population base
5,000; William B.
ati businessman
nilton County with
of about 877,000;
l, a Homosassa
ssman who pur-
nter, Hernando,
These counties
ntal Florida have
at 685,000.

nizes, ng Kong

roma, Inc. USA,
f Swisstime, now
registered corpor-
ates. It operates
d subsidiary of
Kong.

market competi-
nd LCD watches
ponents assembl-
der the supervi-
icians, Modutek
ry Kaye stated.
Swiss-assembled

"The intelligent and creative utili-
zation of co-ops offerings is particu-
larly called for today when advertising
and promotional costs are skyrocket-
ing," Kauffman stressed. "What
we're faced with as retailers is the
fact that our programs for generating
sales will continue to cost more."

Marketing drive planned for Bally home arcade

COLUMBUS, OH—Astrovision, Inc., is mounting a marketing and manufacturing drive for the Bally Professional Arcade. Astrovision purchased the consumer products division of Bally Mfg. Corp. in August.

The Bally Professional Arcade now offers 14 cassettes and 28 existing games and educational programs. It has programming capabilities which, through the addition of a low-cost add-on feature called BASIC with an audio interface, expand capabilities for self-teaching and other uses.

Astrovision's plans for the Bally Professional Arcade include the addition of seven to nine new Videocade cassettes and the introduction of an add-on keyboard in 1981.

Bally Professional Arcade units have a suggested retail price of about \$299 with cassette programs at \$19.95 and \$24.95. ➔

MERCHANDISING

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DECEMBER